



Daily Report

Central Eurasia

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Georgian, Abkhaz Delegations Continue Geneva Talks

LD1301001494 Moscow ITAR-TASS in English 2136 GMT 12 Jan 94

[By ITAR-TASS correspondent Konstantin Pribytkov]

[Text] Geneva January 13 TASS—The expectations that the second round of Georgian-Abkhazian talks in Geneva would be promptly completed have not been justified. The U.N. Secretary General's special envoy Eduard Brunner, who chairs over the meeting, had to cancel a news conference scheduled for Wednesday since the discussion dragged out.

The consultations arranged under the U.N. auspices are attended by a Russian delegation headed by Deputy Foreign Minister Boris Pastukhov. Both Brunner and Pastukhov, who are working in close cooperation, face considerable difficulties in mediating the talks.

TASS learnt from sources close to the participants in the meeting that the Georgian and Abkhazian negotiating teams had put forth a number of proposals and specifications concerning the final document, which is to reflect the key problems of the conflict settlement, specifically deployment of peace-keeping forces. The two sides also expect to draw up a special agreement on refugees. One of the options under consideration calls for creating conditions for their return originally to Abkhazia's one area only (most probably the Gali district). This issue is to be solved with the participation of experts from the U.N. High Commissionnaire for Refugees' office.

Members of the negotiating teams told TASS that the discussion was of a constructive and businesslike character. However, it is not easy to surmount the differences in the two sides' positions, given that such critical problem as Abkhazia's future political status has not yet been solved. To all appearances, this issue is unlikely to be settled during the present round of talks. It is to be addressed by Georgian and Abkhazian experts who are expected to meet in Moscow on February 8.

Georgian Delegation Member Comments

AU1201190494 Tbilisi First Program Television Network in Georgian 1700 GMT 12 Jan 94

[Text] Batoni [Georgian polite form of address] Aleksandr Kavsadze, a member of the Georgian delegation at the Geneva negotiations, said today in a conversation with a

TV correspondent that the first day of the negotiations could be assessed as constructive and businesslike.

As during the first round of talks, our delegation was led by Batoni Jaba Ioseliani. He presented our proposals concerning what questions had to be discussed and the views of the Georgian delegation as to how these questions should be resolved. On the instructions of the head of state, attention was focused on the principal question of the return of refugees to their places of residence.

One of the main questions (?discussed) during the negotiations yesterday was the (?return) of refugees. We listened to specific proposals presented by the UN High Commission, and the Russian side also had specific proposals. So, there were serious talks yesterday regarding this question.

We listened to information presented by a group of experts. They agreed that, today, fundamental documents regarding these questions would be prepared and there would also be talks regarding individual programs relating to these individual questions.

Agreements Reached

LD1301212194 Moscow ITAR-TASS in English 2001 GMT 13 Jan 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations January 13 TASS—Participants in the Geneva talks on settlement of the Georgian-Abkhazian conflict have reached important agreements, U.N. secretary general's spokesman Joe Sills reported on Thursday at the U.N. headquarters.

The second round of talks on the all-round settlement of the Georgian-Abkhazian conflict has completed, the spokesman said. The talks, mediated by U.N. special envoy Edouard Brunner, were held in Geneva on January 11-13. As a result of the talks, the conflicting sides defined their main goal as an all-embracing political settlement. Furthermore, they agreed on a set of procedures and principles to govern the return of refugees and forced migrants to Abkhazia. The two sides also called upon the U.N. Security Council to build up the U.N. presence in the troubled region, according to Mr Sills.

The spokesman also reported that the next meeting of experts to discuss the all-round settlement of the Georgian-Abkhazian conflict was scheduled to be held in Moscow on February 8.

Black Sea Fleet Sailors Appeal to Yeltsin, Kravchuk*MK1301120094 Moscow KOMMERSANT-DAILY in Russian 13 Jan 94 p 4*

[Dmitriy Kamyshev report: "Black Sea Fleet Calls on Yeltsin. Sailors Remind Presidents of Their Problems"]

[Text] Disputes about nuclear arms on Ukrainian territory have relegated the Black Sea Fleet problem to the back burner. The situation there remains tense, however, which was confirmed by an appeal signed by officers of a Black Sea Fleet submarine formation to the chiefs of Russia, Ukraine, and Crimea, calling for the status of the fleet and Sevastopol as its main base to be determined as soon as possible.

The 1992 Russian-Ukrainian agreements called for a joint command of the Black Sea Fleet during the transitional period until 1995. In June 1993, the presidents of Russia and Ukraine decided to split the Black Sea Fleet equally, and at the September meeting in Crimea Ukrainian President Leonid Kravchuk agreed to hand the Ukrainian part of the fleet over to Russia toward repaying Ukraine's debts for energy deliveries.

The appeal points out that uncertainty over the Black Sea Fleet's political future may lead to a situation where Russia will simply be left without a fleet in the Black Sea. Given this, the authors of the appeal called on the leaders of Russia and Ukraine to determine as soon as possible the status of Black Sea Fleet servicemen and the city of Sevastopol as the fleet's main base, and also to speed up the solution of the question of dual citizenship for Black Sea Fleet sailors and their family members. The appeal also suggests that Black Sea Fleet sailors be allowed to receive pay on Russian territory if Ukraine is unable to provide Black Sea Fleet servicemen with money.

Meanwhile, a lack of a definitive solution to the problem of the Black Sea Fleet's status leads to a further heightening of tensions. On Tuesday, the Black Sea Fleet press service denounced attempts by the command of the Ukrainian Navy and the authorities of the city of Izmail to establish control of the Black Sea Fleet's naval engineering service units deployed in far-flung garrisons. The statement says that the blackmail and threats to which the Ukrainian authorities have subjected the sailors may lead to unpredictable consequences. Some crews are even ready to stop navigating the Danube as a protest.

ITAR-TASS Carries Press Review for 14 Jan*LD1401082694 Moscow ITAR-TASS in English 0651 GMT 14 Jan 94*

["Press Review"—ITAR-TASS headline]

[Text] Moscow January 14 ITAR-TASS—The official visit of U.S. President Bill Clinton to Moscow and meetings of both chambers of the new Russian parliament are in the focus of attention of Moscow newspapers today.

"The meeting of the Russian and American presidents began in an atmosphere of genuine partnership," TRUD writes, commenting on the Moscow talks. An atmosphere of confidence was established right from the beginning of the official visit, the newspaper points out further, quoting Bill Clinton as saying that it is necessary for the two countries to cooperate for the sake of Russia's future, the future of the whole world. The essence of the cooperation is in the creation of a new security structure in Europe, as well as the advance of democratic values and a free economic system, the U.S. President said.

Commenting on the results of Clinton's consultative meeting with Ukrainian President Leonid Kravchuk on intercontinental ballistic missiles, the newspaper writes that "the meeting set the beginning of a new stage in the Ukrainian-American relations and opened up the door to new forms of cooperation in the sphere of economy, politics and security. Ukraine's support for the 'partnership for peace' initiative gives a chance to it to start more concrete cooperation with the NATO countries in the military sphere and integrate more deeply in the European structures."

NEZAVISIMAYA GAZETA writes about various aspects of international security and non-proliferation of nuclear weapons, that were discussed at the meeting. According to Vyacheslav Kostiov, press secretary of the Russian president, the sides expressed the opinion that nothing is possible in the world without Russia and the United States. It follows from that statement that "Russia has retained the status of a great power, and not only a nuclear power, and the west, in the person of Clinton, recognised it without hesitation."

KRASNAYA ZVEZDA writes on the same subject that "the consolidation of Russia's greatness should be the main objective of the economic and socio-political reform, now under way in Russia". This objective is easier to attain by acting jointly with other countries, and close Russian-American cooperation, built on the principles of partnership, equality and mutual benefit, would play an important role in it. So far as European security is concerned, which was also discussed during the talks, previously the problem consisted in bringing down the level of military rivalry and preventing a nuclear catastrophe, while now the point at issue is joint, coordinated efforts, aimed at maintaining world stability, the newspaper writes.

Commenting on the meeting of the Russian and U.S. presidents, ROSSIYSKIYE VESTI quotes the words of Viktor Glukhikh, chairman of the State Committee for the Defence Industries of the Russian Federation, who said that "the trend of passing over from open technological rivalry to technological partnership has become clear." He said that 108 joint project on a wide range of scientific and technological problems are now being implemented.

Russian Deputy Foreign Minister Georgiy Mamedov described the results of the talks as the opening up of a new

stage in Russian-American partnership, while "humanitarian assistance will be replaced by a package of measures, aimed at the revival of the Russian economy," IZVESTIYA writes.

RABOCHAYA TRIBUNA and PRAVDA writes briefly about the most important moments of the first and second rounds of the Russian-American summit talks.

So far as the second important topic is concerned—meetings of the two chambers of the new Russian parliament—the newspapers focus their attention on the election of Vladimir Shumeyko to the post of chairman of the Federation Council. According to NEZAVISIMAYA GAZETA, the 98 votes that he got "reflect with mathematical accuracy the official position of the senators: 65 of them are heads of local administration of subjects of the Russian Federation, 11 are staff members of the president's administration, 15 are staff members of the administration of the government and another 15 are regional officials of a lower level." Only two people who voted for Shumeyko do not belong to this administrative team, the newspaper points out. According to the author of the article, if the new chairman really wants the Federation Council to be an efficient body, he should offer posts of deputy chairmen to representatives of the opposition. "Actually, he is facing the dilemma: either obedient deputy chairman along with the obedient Federation Council, or vice versa," the newspaper points out.

According to IZVESTIYA, the election of Shumeyko to the new post means that the president and the prime minister got whom they wanted on the post of chairman of the

Federation Council, and the senators, who depend on the executive authorities, got the chairman whom the president and the prime minister wanted. Commenting on that fact, ROSSIYSKIYE VESTI writes that members of the Federation Council can hardly be suspected of "too warm feelings for Shumeyko." They voted for him, because, irrespective of all his defects, he is "the president's man" and can help maintain cooperation with the Moscow power structures.

KOMSOMOLSKAYA PRAVDA described the lower chamber of the new parliament, the State Duma, as a rather ornamental institution, deprived of any real power, while IZVESTIYA points to its "chaotic" character, judging by the first days of its work.

KRASNAYA ZVEZDA carries an article by Russian Foreign Minister Andrey Kozyrev, which deals with Russia's military doctrine, its foreign and domestic policy. "The course of the country's foreign policy and security is set by the president of the Russian Federation. This fact, recorded in the new democratic constitution, reliably protects it from the influence of national-extremism. Basically, the course remained unchanged: it is aimed at the development of partner-like, good neighbourly relations with the rest of the world and continues to be open and predictable," Kozyrev wrote. "The military doctrine of the Russian Federation, approved by the Russian president early in November, is also a guarantee of stability and consistent character of the country's domestic and foreign policy. Together with the conceptual framework for foreign policy, it will be included in the conceptual framework for security, which is being drafted now," he pointed out.

Clinton Holds Talks With Yeltsin 13 Jan*LD1301142194 Moscow ITAR-TASS in English 1340
GMT 13 Jan 94**[By ITAR-TASS correspondent Aleksandr Mineev]*

[Text] Moscow January 13 TASS—Presidents Bill Clinton and Boris Yeltsin began their discussions in the Kremlin today in an atmosphere of sincere partnership, according to the Russian president's press secretary Vyacheslav Kostikov. Both sides were proceeding from an understanding that nothing is possible in this world without Russia and the United States, he said.

Despite the fact that Clinton's Air Force One landed in Moscow later than scheduled, the official ceremony of greeting in the Kremlin began a mere 11 minutes behind the schedule on Thursday morning. Bill Clinton arrived in the Kremlin from Hotel Radisson-Slavynskaya, where he stayed overnight, at 09.11. The official ceremony of greetings took place, according to a tradition, in St. George's Hall of the Grand Kremlin Palace.

President Boris Yeltsin recalled his first meeting with President Bill Clinton in Vancouver during which they laid the groundwork for Russian-American partnership as well as for their personal rapport and friendship. He said the atmosphere of the hall where they were meeting was conducive to the profundity and success of discussions.

Bill Clinton responded to Yeltsin's "welcome to Russia, welcome to Moscow" by stressing that cooperation between Russia and the United States at the present historical stage aimed to create a new security structure in Europe on the basis of democratic values and free economies which will further define the greatness of Russia.

The two presidents then spent almost 90 minutes together in the Green Hall of the Kremlin Palace discussing the latest developments in the two countries in the presence of the presidential aide Dmitriy Ryurikov, special advisor to the U.S. secretary of state Strobe Talbott and interpreters.

While the two presidents conferred in the Green Hall, the leaders of the diplomatic departments of Russia and the United States Andrey Kozyrev and Warren Christopher were working in the nearby Yellow Hall brushing up the package of Russo-American agreements and statements which the presidents were due to sign later. Three agreements are already fully ready for signing—on air communications, on cooperation in the field of health care services and biomedical research, and cooperation in the study of radiation effects on humans and the environment.

A memorandum of intent to cooperate in export controls has also been prepared for signing, as well as a joint Russian-American statement on the Middle East.

The two presidents would also sign the main document—the Moscow Declaration and make a statement on human rights and another on the nuclear non-proliferation.

After a walkabout between buildings of the Kremlin and a visit to the Assumption Cathedral, Yeltsin and Clinton returned to the Grand Kremlin Palace where they were

joined by other officials to continue discussions which lasted until 14:00, longer than scheduled.

Commenting on the second session, Yeltsin's press secretary Vyacheslav Kostikov said the summit was taking place in a new political situation - after Russia adopted a new constitution by a popular vote. "Russia has joined the club of revolutionary democracies, and this cannot be overlooked in the process of discussions", Kostikov said.

He also pointed out that "the role played by the great powers in the world" will continue to enhance". Kostikov recalled that hopes for stabilization after the end of the Cold War failed to materialize in some parts of the world, including Yugoslavia, transcaucasus, and Latin America, and said that "the world needs a strong new order, and Russia will play its role of a great power in it".

Kostikov said Clinton and Yeltsin touched upon relations between president and legislature. Yeltsin recounted the latest developments in Russia following the December parliamentary elections. The two presidents also touched on the Brussels meeting of the NATO member states. Clinton set forth the key points of his Partnership for Peace initiative. "Russia does not yet know much about this initiative, and its full meaning has yet to be understood, but in any case the formula sounds attractive and gives food for thought," he said.

Clinton also touched upon the proposed extension of NATO. Both presidents said they understood the need and had the desire to work towards eliminating all lines of division in Europe.

The two presidents also considered ways of implementing the accords reached at the G-7 meeting in Tokyo.

Clinton-Yeltsin discussions will continue on Friday after the early-morning trilateral summit in which Ukrainian President Leonid Kravchuk will take part.

Promises Aid*LD1301155494 Moscow INTERFAX in English 1419
GMT 13 Jan 94*

[Text] "Russia will continue reforms and there is no question of their slow down." This remark, made by Russian President Boris Yeltsin when he met with his U.S. counterpart Bill Clinton at the head of a larger delegation, became the theme of the second hour-long meeting of the two presidents in the Kremlin Thursday.

Following the end of this round of talks Oleg Lobov, secretary of the National Security Council, told Interfax that the meeting had demonstrated "America's willingness to provide effective support for the Russian reform by paying some of its social costs."

In particular, Clinton assured the Russian president that he had succeeded in having Congress appropriate \$900 Mn [Million] for aid to Russia in 1995.

Furthermore, numerous funds, especially one supporting small business, would be launched. The U.S.A. is prepared

to allocate \$300 Mn for that purpose. The Clinton Administration is making \$100 Mn available for a recently established American-Russian reconstruction of large factories fund.

"Solid support" has also been pledged for Russia's joining the General Agreement on Tariffs and Trade. Duties will be lifted from 4400 Russian products in the U.S. market. The U.S. secretary of commerce will arrive in Russia in March with a team of experts to study the possibility of closer contacts between U.S. businessmen and Russian state and privately owned businesses, Lobov said. In his words, Clinton asked Yeltsin to help in finding partners for U.S. businesses.

Meets at Novo-Ogarevo

LD1301181494 Moscow Mayak Radio Network in Russian 1653 GMT 13 Jan 94

[Excerpts] The first day of U.S. President Clinton's visit is drawing to a close. Our observer Yuliy Semenov is now live on the air from the president's country residence at Novo-Ogarevo, where Bill Clinton and Boris Yeltsin are at present.

[Semenov] [passage omitted] What is happening here now is an unofficial dinner, well, it is official for a small number of participants, the presidents of Russia and the United States and the officials accompanying them.

The Russian president arrived here a bit earlier and we had an opportunity to ask him a few questions about today's results. He is satisfied with the course of the talks. He said they discussed a very broad circle of questions, fundamental and global questions. He expressed his attitude to the concept of the Partnership for Peace and supported it. But in the main, the work of the two delegations was devoted to economic questions, questions of economic relations between Russia and the United States. In response to a question from correspondent about what sort of help Russia hopes to receive from the United States, the Russian president answered briefly: no more than was promised.

Tomorrow, he said, they will discuss mainly problems of Ukraine's nuclear disarmament and international questions.

Then President Clinton arrived. The Russian president, as the host, welcomed him, told him a little about local beauty spots and the features of the locality, and invited him to the table, noting that today Russia is marking the old-style New Year.

On this pleasant detail I end my report.

Presidents Detarget Nuclear Missiles

LD1401090394 Moscow ITAR-TASS in English 0831 GMT 14 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—The Russian and US Presidents agreed to detarget their strategic nuclear missiles, aimed at each other's country by June 1994, thus ending nearly a 50-year period when the two superpowers viewed each other as the main adversaries.

"The Presidents announced that they would direct the detargeting of strategic nuclear missiles under their respective commands so that by not later than May 30, 1994 those missiles will not be targeted", according to the Moscow Declaration signed by Boris Yeltsin and Bill Clinton on Friday.

"Thus, for the first time in nearly half a century—virtually since the dawn of the nuclear age—the United States and Russia will not operate nuclear forces, day-to-day, in a manner that presumes they are adversaries", according to the document.

The Presidents also urged to end nuclear tests and observe the nuclear and other non-proliferation regimes.

They "strongly supported completion of negotiations on a comprehensive test ban at the earliest possible time" and "expressed concern over increasing challenges to global non-proliferation regimes", the declaration said.

The Presidents "agreed upon the need to strengthen those regimes and... to create a new mechanism to enhance transparency and responsibility in the transfer of conventional arms and sensitive dual use technologies", according to the document.

Yeltsin Assures Clinton on Reforms

LD1401091194 Moscow ITAR-TASS in English 0842 GMT 14 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—Russian President Boris Yeltsin reaffirmed his US counterpart Bill Clinton that Russian economic reforms are irreversible and said more attention will be paid to the social needs of the people.

Yeltsin "affirmed the irreversibility of Russia's transition to a market economy and his intention to further promote reforms and to address social needs associated with this transition", according to the Moscow declaration signed by the two Presidents on Friday.

"Clinton stressed his strong support for Russian reform and suggested that social issues could be a new and promising area for cooperation", the document said.

Clinton Invites Maritime Region Governor to Reception

LD1301142594 Moscow INTERFAX in English 1131 GMT 13 Jan 94

[Text] Governor of the Maritime Territory Yevgeniy Nazdratenko is Russia's only local leader to be invited to a reception organized by President Bill Clinton in honor of President Boris Yeltsin.

The invitation extended to Nazdratenko symbolizes the recognition of the Maritime Territory as the exponent of Russia's geopolitical and economic interests in Asia and the Pacific.

Yevgeniy Nazdratenko is a member of the Federal Assembly's upper chamber, the Federation Council.

Paper Views Beginning of Yeltsin-Clinton Talks

PM1401113194 Moscow KRSNAYA ZVEZDA in Russian 14 Jan 94 p 1

[Report by Vladimir Kuzar and Mikhail Pogorelyy: "Russian-American Dialogue in the Kremlin"]

[Text] U.S. President Bill Clinton arrived in the Russian capital for an official state visit on 13 January. After a short rest he met with Russian President Boris Yeltsin. The official ceremony was held in St. Georges' Hall, in the Great Kremlin Palace. The heads of the world's two leading states exchanged short speeches of welcome and then got down to work almost immediately. The basic content of the work was the development of ways of bilateral cooperation, those very ways thanks to which, Bill Clinton stated in his welcoming remarks, "Russia's greatness will be consolidated."

For Russians now embroiled in a long, drawn-out, and seemingly almost futile fight against poverty, inflation, falling output, and never-ending price rises the American president's words may sound like a standard polite form of words, a sign of respect for the hosts. But when you come down to it, the crux of the economic and sociopolitical reforms being pursued in the country is precisely to consolidate Russia's greatness and restore to it the great power status which legitimately belongs to it. After all, the might and power of a state rests on the prosperity and confidence in the present and future of its citizens and on the stability of its economy and the solidity of its international position.

Our people have to scale these heights themselves, through their own efforts, but they do not have to do it solo! It is easier and more reliable to do it with others, and here no small role could be played by the close Russian-American cooperation which is being built on the principles of partnership, equality, and mutual benefit.

After the first round of talks, held within a narrow circle, Boris Yeltsin expressed satisfaction at the work being conducted. Bill Clinton also went for a short walk around the Kremlin during the break, wearing a contented expression. Talks then resumed, now with expanded delegations including representatives of the national security structures and the foreign and finance ministries. The composition of the negotiating teams suggests the basic topics discussed at the presidents' meeting: That is to say, a range of questions concerning Russian-American cooperation in the economic sphere and in the sphere of international and European security.

Despite the fact that at this stage these topics are no longer, as it were, at the forefront of Russian-American dialogue,

they remain important. Moreover they have been given a new dimension: Previously discussion was about reducing the danger posed to one another, lowering the level of military confrontation, and preventing nuclear catastrophe; it is now about joint, coordinated efforts to maintain world stability. The presidents discussed the problem of ensuring the nonproliferation of mass destruction weapons, including nuclear weapons. As was remarked in the corridors of the meeting, the prospects of securing an optimum resolution to the question of nuclear weapons on the Korean peninsula were touched on. The Yugoslav crisis and the continuation of coordinated, multilateral ways of resolving it is another topic to which the leaders of the world's two major military powers will doubtless have to return more than once.

Another major set of questions is connected with the Partnership for Peace concept, just adopted by the NATO Council. As the Russian Foreign Ministry has announced, Russia is still carefully studying the specific provisions of the NATO program, but President Yeltsin's fundamental approach was described by his press secretary in these terms: We have no reason whatever to spurn the initiative; we just need to see to what extent its implementation accords with Russia's national interests.

President Clinton arrived in Moscow two hours behind his original schedule, but this caused no irritation in Moscow. On the contrary, the persistence and consistency shown by the American leader in his approach to the nuclear disarmament of Ukraine is welcomed here. En route to Moscow Bill Clinton had held a brief meeting with Leonid Kravchuk at which the terms of the agreement on eliminating the 176 strategic missiles and the 1,500 warheads belonging to them which are now on Ukrainian territory were preliminarily agreed. The agreement itself will have been signed by the time you read this newspaper, so we will not try to guess its provisions. We will only query the justification of the request said to have been made by President Kravchuk that Russia write off Ukraine's multi-billion debt for energy sources. Weapons should not be a bargaining counter; they are too dangerous. Russian Defense Minister Army General Pavel Grachev remarked on the eve of the Moscow summit, particularly as the United States is allocating considerable resources to Ukraine to carry out the dismantling of nuclear armaments and remove them to Russian territory.

Apart from the Russian-American-Ukrainian agreement on the results of the talks, it is also planned to sign the Moscow Declaration and agreements on air traffic, on cooperation in the sphere of studying the effect of radiation on people's health and the environment... But that takes place on Friday.

As far as the second half of Bill Clinton's first day in Moscow was concerned, a visit to the Danilov Monastery, where the U.S. President was to have held a meeting with Aleksiy II, patriarch of Moscow and All Russia, was dropped from the itinerary, although it cannot be ruled out that the meeting will take place, albeit not at his residence, but in the Moscow hospital where the head of the Russian Orthodox Church is undergoing treatment.

First Day of Clinton-Yeltsin Talks Viewed

PM1301162594 Moscow IZVESTIYA in Russian
14 Jan 94 First Edition p 1

[Vasiliy Kononenko report: "Russian and U.S. Presidents' One-on-One Meeting Lasts Longer Than Planned"]

[Text] Following the ceremonial meeting between Russian President Boris Yeltsin and U.S. President Bill Clinton in the St. George's Hall of the Great Kremlin Palace in the Kremlin, both men moved to the Green Hall to talk one-on-one, but there was then an unforeseen deviation from protocol—U.S. journalists first disregarded the "no questions" ban and started asking questions.

The U.S. President expressed his intention to discuss the progress of economic reform in Russia, noting the exceptional importance of building a "free economic system" in the country which would help Russia to join the world market.

A separate item on the agenda for the presidents' meeting is the adoption at this week's NATO summit of the "Partnership for Peace" program proposed by the Clinton administration.

In this context the tripartite agreement on the withdrawal of nuclear weapons from Ukrainian territory to Russia—to be signed by the three heads of state in Moscow Friday—is of particular importance.

President Yeltsin briefly answered the journalists' questions—the main aim of the Moscow summit is to ensure tranquillity and peace both in Russia and the United States, and to safeguard global stability.

Immediately after the small-scale talks had ended, Boris Yeltsin stated in reply to an INTERFAX correspondent's question that he was satisfied with the start of the talks with Bill Clinton. Their first conversation had lasted around an hour—20 minutes longer than scheduled in the program.

Both presidents then took the traditional walk around the Kremlin, viewing the Czar Pushka and the Czar Kolokol and visiting the Cathedral of the Assumption. In the biting wind and a temperature of minus 10 degrees, the presidents spent no more than 10 minutes outside and went for lunch to warm up.

After this the talks continued on an enlarged scale.

According to V. Kostikov, the Russian president's press secretary, the first round of Russian-U.S. talks at the summit took place in a relatively calm atmosphere—neither side tried to impose its line on the other. Naturally, at the very beginning of the conversation the two presidents touched on the subject of cooperation with parliaments. It is not hard to imagine that, during this conversation, the U.S. President would have been interested in one aspect—will the Russians finally be able to divide up power in a civilized manner.

In the afternoon the presidents were joined in the Kremlin by delegation members, and the discussion turned to very

specific problems—humanitarian aid should be replaced by U.S. assistance in restructuring the Russian economy.

Talbott Briefs Press on Yeltsin-Clinton 13 Jan Talks

LD1401092694 Moscow ITAR-TASS in English 0727
GMT 14 Jan 94

[By ITAR-TASS correspondent Vladimir Bogahev]

[Text] Moscow January 14 TASS—Strobe Talbott, assistant secretary of state of the United States, held a briefing at the American press centre in Hotel "Slavyanskaya" here in the early hours of January 14. He said that President Boris Yeltsin and President Bill Clinton had a meeting at Ogaryovo on January 13.

The two presidents discussed, in particular, some economic problems of mutual concern, questions linked with the "Partnership for Peace" programme, which was recently approved by the NATO leaders in Brussels, relations between the executive and legislative branches of government in both countries, the role of the military in the political lives of countries, proposals to promote cooperation between the military establishments of Russia and the United States. The sides also touched on problems of coordinating the policies of the United States and Russia in the Middle East, on the situation in former Yugoslavia.

President Yeltsin presented to Bill Clinton a porcelain statuette of the U.S. President.

Poltoranin Warns Clinton Against Meeting With Zhirinovskiy

LD1301194194 Moscow INTERFAX in English 1812
GMT 13 Jan 94

[Text] Mikhail Poltoranin, a Duma member from the "Russia's Choice" bloc, believes that U.S. President Bill Clinton should not meet with Vladimir Zhirinovskiy, the leader of the Liberal Democratic Party. He told journalists on Thursday that instead of distinguishing between the notion of "Zhirinovskiy himself" and the "phenomenon of Zhirinovskiy," they had been giving too much publicity to him.

The phenomenon of Zhirinovskiy means discontent with official policy in Russia today. Zhirinovskiy is disgusting to many people, Poltoranin said, but they seem to have chosen the lesser of the two evils. And Clinton has been right to say that by voting for Zhirinovskiy citizens protested against the policy of the authorities. "The balloting showed that people had gotten tired of the helpless government, rampant bureaucracy, crime, etc. Official policy must be more effective," Poltoranin said.

Reaction to Clinton Visit Mixed

Duma Deputy Comments

LD1301124494 Moscow ITAR-TASS in English 1149
GMT 13 Jan 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow January 13 TASS—Bill Clinton's visit to Moscow is "evidence of respect of the United States for our great country," Yevgeniy Ambartsumov, deputy to the State Duma, told ITAR-TASS. He was for a long time head of the Committee for International Affairs at the previous Russian Parliament.

"I hope the U.S. President will take advantage of the visit to familiarise himself even more deeply with Russian problems. I think the U.S. should proceed from the assumption that it is necessary to promote the development of Russian democracy, from the understanding that any sort of encirclement is not for Russia." In the opinion of Ambartsumov, the creation of another sanitary cordon around Russia should be out of the question.

"We are now living through a difficult period of our history. However, Russia has seen even worse times, but inevitably was brought back to life, like Phoenix from ashes. I hope the U.S. Administration thinks the same way," he said.

Communist's Zyuganov Comments

LD1301160194 Moscow ITAR-TASS in English 1343 GMT 13 Jan 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow January 13 TASS—Gennadiy Zyuganov, the leader of the Russian Communist Party, said the visit of the U.S. President "is exclusively important and timely as our political situation has changed and it is necessary (for Bill Clinton) to get acquainted with it".

Zyuganov said a press conference on Thursday that security issues should be in the focus of Russian-U.S. talks.

"The system of security in Russia is completely disorganised and the issue should be discussed in detail during the visit before the situation goes out of control completely", he said.

Speaking on Duma affairs, Zyuganov said that his party had already blocked with the Agrarian party and the Democratic Russia.

"Doors for others remain open", he stressed and added that communists are ready to unite with those factions which share three of their basic principles: peace in the country, well-being in every family and not only in elite families, the understanding that the current situation leads to chaos and upheavals.

Communists will focus on three tasks in the Duma and the major one is to change the course of reforms. The other two include the restoration of the state management in the country and moral improvement in society.

Zhirinovskiy on 'Pointless' Visit

LD1301155094 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] Chairman of the Liberal Democratic Party Vladimir Zhirinovskiy believes that Bill Clinton's visit to Moscow is "pointless".

Zhirinovskiy told journalists that the U.S. president had arrived in Russia "to support the government whose policies were not backed by the people during the elections on December 12."

The day will come when America will appeal to Russia for help, he said.

Deputy Foreign Minister Reacts

LD1301180394 Moscow ITAR-TASS in English 1715 GMT 13 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Gennadiy Talalayev]

Moscow January 13 TASS—Russian Deputy Foreign Minister Georgiy Mamedov said the current U.S.-Russian summit is the most "intense, businesslike and concrete" of all summit meetings he had attended.

The main leitmotif of the extended talks between the Russian and American delegations that took place in the Kremlin on Thursday can be phrased like this, Mamedov said—"Russian-American relations have passed the period when bilateral relations focused on humanitarian and other assistance to Russia at the initial stage of reform."

"Now they have moved on to macroeconomic partnership, support for structural reform in Russia, transformation of relations between Russia, its neighbours and large countries of the world, and changes in the attitude of international economic agencies towards reform in Russia with special attention to be paid to its social aspects," Mamedov said.

In an interview with ITAR-TASS on Thursday, Mamedov stressed that U.S. President Bill Clinton has proposed a whole package of concrete measures to facilitate, in cooperation with other countries and international economic organisations, radical changes in approaches towards Russia to let it into the world markets and promote relations between Russia and former Soviet republics.

To exemplify his point, Mamedov said that the U.S. has persuaded international economic organisations to provide financial assistance to the CIS states to buy fuel and energy in Russia at higher prices.

"There is also a program of support for conversion of the defence industry aimed at preventing further increase of unemployment. The means released will be used to finance social programs, including job placement," he said.

During the discussion of the economic situation in Russia Clinton said that in his opinion based on analyses provided by American institutions Russia will be able to make a breakthrough in two years. This may enable it to qualify as the eighth member of the G-7 group. "But this is a very complicated problem. The American side said it would welcome such changes from the political point of view, adding that structural reform in Russia should lead to the reorganisation of the G-7 group into a G-8 one from the economic perspective as well," Mamedov said.

During the talks earlier today, Clinton voiced support for the idea of Russia's joining the General Agreement on Tariffs and Trade. He also said the U.S. would abolish customs duties for almost 4,400 types of Russian goods, deputy minister said.

Further Mamedov Comments

LD1401091894 Moscow ITAR-TASS in English 0839
GMT 14 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Genadiy Talalayev]

[Text] Moscow January 14 TASS—Russian Deputy Foreign Minister Georgiy Mamedov regards the present Russian-American talks "the most substantive, businesslike and concrete" out of all summits in which he participated.

Mamedov said in an interview with ITAR-TASS on Friday [14 January] that the characteristic feature of the present talks was that "Russian-American relations came to the end of a period when bilateral ties focused, due to circumstances connected with the initial stage of Russian reforms, on rendering aid to Russia in the humanitarian and other spheres".

"We witness now a switch to macroeconomic partnership, assistance in structural changes of the Russian economy, in restructuring of Russia's relations with close neighbours and major countries in the world as well as in a change of the attitude of international economic organisations to reforms in our country with a greater edge on social programmes," the deputy minister noted.

According to Mamedov, Clinton "put forth a package of specific measures, to be taken by the United States together with other countries and international economic organisations, to help change radically attitudes to Russia in order to ensure a greater foothold for it on world markets and to ease Russia's economic relations with former Soviet republics.

Mamedov noted that, thanks to U.S. assistance, international economic organisations will appropriate funds to countries of the Commonwealth of Independent States to purchase energy carriers from Russia at higher prices.

"There is also a programme for converting the munitions industry to prevent greater unemployment. Funds released as a result of conversion will be channeled for social programmes, including creation of jobs," he continued.

"You see, the package provides not for canned meat deliveries but serious measures which will help restructure the Russian economy and simultaneously create 'a social insurance system'."

Incidentally, Mamedov added, Clinton, guided by an analysis of the situation made by American agencies, said during a discussion of the economic situation in Russia that Russia would make a powerful breakthrough in two years' time.

In this connection, the sides discussed changing the seven most industrialised countries into a G-8. "This issue is

difficult enough," Mamedov admitted. "The American side expressed support for such a change in the political respect. It also noted that structural changes in the economy should lead to turning the G-7 into a G-8 also economically."

ITAR-TASS learnt from a member of the Russian delegation at the talks, who refused to be identified, that the U.S. expressed support for Russia's admission to GATT during the second round of the summit.

It was also made known that customs restrictions on nearly 4,400 types of Russian goods will be lifted on the American market.

Mamedov noted that the Russian president supported the "Partnership for Peace" initiative put forth by Clinton.

Kostikov on Talks

LD1301214694 Moscow INTERFAX in English 1901
GMT 13 Jan 94

[From the "Presidential Bulletin" feature, by Diplomatic Correspondents Dmitriy Voskoboinikov, Igor Porshnev, Vitaliy Trubetskoy and others]

[Excerpts] President Boris Yeltsin has expressed satisfaction with the start of a Russian-American summit in Moscow. "All is going well," he told an Interfax correspondent after the first round of talks on Thursday morning, lasting 20 minutes longer than scheduled. The delegations met in a narrow circle. [passage omitted]

The meeting was held in an atmosphere of sincere partnership with neither side trying even to imply its specific role, Presidential Spokesman Vyacheslav Kostikov said, commenting on the first round of talks as the two sides met in a narrow composition this morning. In his words, both sides proceed from a premise that peace and stability in Europe and worldwide is impossible without Russia and the United States.

Elaborating the point, Kostikov said the world was in need of "a solid new order and great powers." As shown by various conflicts including military, there can be no stable peace without great powers, he went on to say. Kostikov spoke of a widespread beliefs in Russia that it remained a great power politically, militarily and culturally.

Russia's elections and new constitution, the NATO summit in Brussels and the implementation of the Tokyo accords by G-7 states dominated the agenda of the morning session, he said.

President Yeltsin spoke of Russia's turbulent though chaotic process of parliamentarism and democracy, but he stressed that his country had already joined the club of constitutional democracies. Kostikov said the two leaders had exchanged views on relations between the legislature and executive in a modern democratic society.

Clinton briefed the Russian leader on the resolutions adopted by the NATO summit in Brussels including the U.S. partnership for Peace proposal. Kostikov said that since little was known of the U.S. proposal in Russia, such

information was useful. As he described the U.S. initiative as a politically attractive declaration rather than a real program, Kostikov said it needed more substance.

There were no differences on the impossibility of drawing new demarcation lines in Europe, the spokesman said.

For his part, member of the Presidential Council Andrannik Migranian said the obscurely-worded concept of the Partnership for Peace proposal would for a long time leave Eastern Europe and Russia outside the framework of mechanisms for decision making on European security.

He is opposed to attempts to try to make NATO universal and create a European security structure in its place. Instead, Migranian calls for a security structure allowing all countries to take an equal part in any decision making on European security.

He also said the question of understanding and recognition of Russia's special role throughout the former Soviet Union would come on the summit agenda. Migranian says that Russia is the only factor capable of safeguarding regional peace and security. He denied that Russia was out to establish a neo-imperial or hegemonistic order in the region, adding that the reason was that no single international agency or regional force was able to act as guarantor of peace and stability in that area. "I think the sooner the western countries agree to provide appropriate financial and diplomatic support to Russia, the quicker peace and security will come to reign in what used to be the Soviet Union," Migranian said.

Foreign Ministry Spokesman Grigory Karasin described the U.S.-proposed Partnership for Peace initiative as an alternative to the mechanical expansion of NATO and a rapid acceptance of new members. In his words, Russia will hold a comprehensive exchange of views on the NATO's Brussels summit with as many countries of Eastern and Western Europe as possible to determine optimal ways of promoting cooperation in maintaining stability and security in Europe.

Karasin said the Russian-American dialogue must not be taken as an attempt by the two great powers to strike separate accords. The question is one of joint searches for such means of European stability that will provide security guarantees to all European states regardless of size, geography, economic or military potential, he said.

Bessmertnykh on U.S. Claims

LD1301233994 Moscow INTERFAX in English 1817 GMT 13 Jan 94

[From the "Diplomatic Panorama" feature]

[Text] The dramatic events in Russia in 1993 have confirmed that the Clinton-Yeltsin axis can withstand overloads, Interfax was told by the former Soviet Foreign Minister, now head of the Foreign Policy Association, Aleksandr Bessmertnykh.

He believes that the Russian-U.S. summit is of vital importance for the future world situation and character of Russian-U.S. relations.

Bessmertnykh believes that the Moscow dialogue should pass on equal terms. Bill Clinton will have to give up the temptation to act not only as the leader of the United States, but as one of the only superpowers whose mission is to rule the world. This approach will not work in Russia because in this country American aspirations for world leadership are not recognized as natural, he said.

Bessmertnykh is sure that it is beneficial strategically for the United States to look at Russia as a strong and prosperous state. Clinton is a leader of the new generation, he said. He is able to see the great advantage in U.S. friendship with a strong Russia rather than with a weakened giant spreading disintegration and instability throughout the world.

Bessmertnykh believes that Russia should be satisfied in its relations with the United States with the level of partnership. The desire to reach the rank of a U.S. ally is inexplicable, he said. "Why hurry if the willingness is not shared by the other side?" said Bessmertnykh.

He emphasized that Russia, as the successor of the former Soviet Union, remains a world power with a broad range of interests which should be respected by the rest of the world. Without the understanding of this on the part of the United States, it would be hard to lay a firm foundation under the Russian-U.S. relations, which in this case will be destined to fluctuate, he said.

Unless the two sides reach understanding in this respect, any efforts by Russia within the Commonwealth of Independent States and outside will continue to be interpreted as the manifestation of Russian "imperialism." The most delicate solutions - for example, NATO-extended membership to include the countries of Eastern and Central Europe - will depend on the result of the talks on this subject, said Bessmertnykh.

Yeltsin Said Satisfied

LD1301211194 Moscow INTERFAX in English 1817 GMT 13 Jan 93

[From the "Diplomatic Panorama" feature by Dmitriy Voskoboinikov, Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] President Boris Yeltsin has expressed satisfaction with the start of a Russian-American summit in Moscow. "All goes well," he told an Interfax correspondent after the first round of talks on Thursday morning [13 January], lasting 20 minutes longer than scheduled.

President Bill Clinton arrived in Moscow at about 01:00 on Thursday en route from Kiev, where he held two hours of talks with Ukrainian leader Leonid Kravchuk during a brief stopover at the local airport.

In a welcoming speech at the formal ceremony at the Kremlin, to which Clinton was ten minutes late, Yeltsin stressed that their previous summit in Vancouver laid down the groundwork of U.S.-Russian partnership and marked the start of their personal friendship.

The Russian leader expressed the hope that current summit talks would be far-reaching, practical and comprehensive.

In a reply speech, Clinton said this summit was taking place at an historic moment marking the start of bilateral cooperation for the sake of the future of Europe and the world at large. He pledged cooperation in creating a new security structure in Europe, advocating democratic values and a free economic system to help towards the advancement of all countries.

Clinton said the two sides, meeting in full strength, would discuss concrete economic reforms that would help the Russian people reap real benefits from the ongoing transformations.

"Russia will continue reforms and there is no question of their slow down." This remark, made by Yeltsin when he met with Clinton at the head of a larger delegation, became the theme of the second hour-long meeting of the two presidents in the Kremlin Thursday.

Following the end of this round of talks Oleg Lobov, secretary of the National Security Council, told Interfax that the meeting had demonstrated "America's willingness to provide effective support for Russian reform by paying some of its social costs."

In particular, Clinton assured the Russian president that he had succeeded in having Congress appropriate \$900 Mn [million] for aid to Russia in 1995.

Furthermore, numerous funds, especially one supporting small business, would be launched. The U.S. is prepared to allocate \$300 Mn for that purpose. The Clinton Administration is making \$100 Mn available for a recently established American-Russian reconstruction of large factories fund.

"Solid support" has also been pledged for Russia's joining the General Agreement on Tariffs and Trade. Duties will be lifted from 4,400 Russian products in the U.S. market. The U.S. secretary of Commerce will arrive in Russia in March with a team of experts to study the possibility of closer contacts between U.S. businessmen and Russian state- and privately owned businesses, Lobov said. In his words, Clinton asked Yeltsin to help in finding partners for U.S. businesses.

Russia sees the NATO-approved Partnership for Peace program as an important step forward and a serious test of the existing partnership between Russia, the U.S. and other NATO states, Foreign Minister Andrey Kozyrev told Interfax.

Speaking after a meeting with Acting Foreign Minister of Moldova Ion Botnaru, he said the expansion of NATO to include new members would be a simplistic solution. Kozyrev did not contest the right of other countries to join the alliance but "this could lead to the creation of new barriers in Europe if implemented."

In his words, Russia's voice was heeded by NATO, Eastern and Central Europe. This is a case illustrating that a short cut is not always optimal, leading nowhere and to wrong

decisions, Kozyrev said. By contrast, he added, a longer road can lead to the right destination.

The minister said the Partnership for Peace proposal had been discussed by Yeltsin and Clinton on Thursday and that both of them were satisfied it implied partnership rather than membership.

Kozyrev spoke of having discussed the problem with U.S. secretary of State Warren Christopher earlier in the day. "It is too early yet to say how the period of partnership will end," the minister said. "One option is to expand NATO by accepting new members, including Russia, something we do not rule out," he said. Other options are also possible, he said, including the creation of broader security systems and the consolidation of the North Atlantic Cooperation Council. The minister called for efforts to be taken in parallel in all those directions but all of these must end up in greater stability and cooperation in Europe.

For his part, Botnaru spoke of seeing his talks with the Russian foreign minister as a step on the road to implementing the Partnership for Peace plan.

Russian Foreign Minister Andrey Kozyrev and Secretary of State Warren Christopher, who held discussions while Yeltsin and Clinton conferred elsewhere in the Kremlin, finalized four documents that have to be signed "at the ministerial level," in particular agreements on air traffic, on cooperation in health care and biomedical research, on cooperation in research in radiation impact on human health and the environment, and a memorandum of intent on cooperation in expert control, Galina Sidorova, the political adviser of the Russian foreign minister, told Interfax.

She noted that Kozyrev and Christopher will also make a joint statement on the Middle East. "The presidents will issue a joint Moscow Declaration and make two statements, on human rights and on nuclear nonproliferation," she said.

According to Sidorova, Kozyrev and Christopher also discussed the January 14 meeting of the Russian, U.S. and Ukrainian presidents. "We are confident that this meeting will culminate in signing documents on the nuclear weapons stationed in Ukraine. Kozyrev observed, however, that making sure that the documents are implemented was even more important," Sidorova said.

She also told Interfax that Kozyrev and Christopher had a thorough talk on the results of the Brussels NATO summit. "The Russian foreign minister emphasized that Moscow regarded the Partnership for Peace program as an invitation for partnership and tangible cooperation with that organization rather than staying in its ante-room," Sidorova said.

In her words, the most important item in that program for Russia was actual cooperation in military exercises and adjustment of military doctrines. "It would be premature to say now where this will lead to, whether Russia and other East European countries will join NATO or NATO and all of us will become a broader European security organization," the foreign minister's adviser said.

Opening Rounds of Clinton-Yeltsin Talks Viewed

PM1301190994 Moscow ROSSIYSKIYE VESTI in Russian 14 Jan 94 p 1

[Pavel Shinkarenko report: "Russia and United States—Guarantors of Peace. Russian-U.S. Summit Talks Begin in Kremlin"]

[Text] The official meeting ceremony between the Russian and U.S. presidents was held in the Kremlin's St. George's Hall yesterday morning. Boris Yeltsin and Bill Clinton then moved to the Green Hall of the Great Kremlin Palace for their first talks with few officials present [v uzkom sostave]. Apart from the heads of state, those taking part in the talks were Dmitriy Ryurikov, aide to the Russian Federation president, and Strobe Talbott, special adviser to the U.S. secretary of state. But before this the two presidents nonetheless stated their attitude to the coming talks. In the opinion of both of them, the dialogue between Russia and the United States will help to strengthen peace and tranquillity worldwide and to deepen cooperation between our countries.

The first round of talks lasted 90 minutes—20 minutes longer than scheduled. The second round started after a brief recess, which Boris Yeltsin used to show the guest the sights of the Kremlin. This time the talks were held on an enlarged scale.

According to information obtained by ROSSIYSKIYE VESTI from both delegations' entourages, the presidents discussed a wide range of issues. In particular, they discussed the results of the 12 December parliamentary elections in Russia, the progress of Russian reform, and problems relating to international security and nuclear nonproliferation. In this regard the sides stressed the importance of Ukraine's readiness to sign a document with Russia and the United States in Moscow 14 January on the withdrawal of nuclear warheads from its territory. The situation relating to the Russian radar station in Latvia was also examined.

As Viktor Glukhikh, chairman of the Russian Federation State Committee for the Defense Sectors of Industry, put it, there is quite a clear trend in relations between our countries away from pronounced technological confrontation toward technological partnership. There are 108 joint projects covering the widest range of basic and applied research, development, production, and marketing that are now at various stages of implementation. For instance, a memorandum of understanding was recently signed with the National Aeronautical and Space Administration, and this has the potential to become one of the most promising projects.

In the afternoon Bill Clinton held a cocktail party for representatives of Russian political and business circles. The day ended with a select dinner hosted by the Russian Federation president.

14 Jan Activities of U.S. Delegation Reported**Hillary, Chelsea Clinton Arrive**

LD1401063294 Moscow ITAR-TASS in English 0625 GMT 14 Jan 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Moscow January 14 TASS—Mrs. Hillary Clinton, the wife of the U.S. President, and Miss Chelsea Clinton, his daughter, arrived in Moscow today in the morning. They were welcomed at the Sheremetyevo-1 airport by Mrs. Valentina Chernomyrdin, the wife of the Russian prime minister.

Today's programme of the stay in Moscow of the wife and daughter of the U.S. President is rather extensive. Mrs. Clinton will visit the U.S. residence in Russia (Spaso-House), the Spaso-Perovskiy Hospital of Peace and Mercy, the Assumption Cathedral, the Armoury and the Hall of Facets of the Kremlin, as well as the Ostankino TV Centre. Chelsea Clinton will visit the ballet school.

President Clinton Lays Wreath

LD1401072194 Moscow ITAR-TASS in English 0713 GMT 14 Jan 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow January 14 TASS—President Bill Clinton early on Friday morning laid a wreath at the Tomb of the Unknown Soldier at the Kremlin wall as a token of the American people's respect for their World War Two allies.

"Your Name is Unknown, Your Feat is Immortal" are the words inscribed on the red-and-black granite of the tomb. To the strains of sad music the president laid the wreath at the tomb and stood at attention as the band played the national anthems of the United States and Russia.

The U.S. President was accompanied by Russian Minister of Foreign Affairs Andrey Kozyrev, Russian Ambassador to the United States Vladimir Lukin and members of the Russian and American delegations.

Visits Ostankino, Gives Speech

LD1401153094 Moscow ITAR-TASS in English 1422 GMT 14 Jan 94

[Text] Moscow January 14 TASS—U.S. President Bill Clinton outlined three major Russian tasks in a live TV address at the major Ostankino TV and Radio Company here today.

He said Russian future will much depend on whether the country will continue to create a genuine market economy, whether Russian citizens will remain adherent to democracy and prevent any limits on it and whether Russia will keep to its previous role on the international scene or change it.

The President expressed his admiration with Russian achievements in literature, art, on the battle field and in

space. He said the Communist system suppressed people and led to the cold war. Nevertheless, greatness of the Russian people has been always evident and it has a prospect to become powerful and prospering on the eve of the 21st century.

Despite the fact old human vices—hatred and racial intolerance—remain, the greatness of peoples in the 21st century will be determined not by their ability to impose their will on others but by the ability to enable everyone to use all possibilities of modern and future world regardless one's race and sex, said Clinton.

As for Russia and the United States they are bound to make their contribution to the consolidation of the spirit of cooperation and partnership throughout the world and improvement of everyday life of each person, including Russian citizens. Clinton stressed Russians themselves are to make their own future.

In their turn, the U.S. people and President want to be partners and sincere friends of Russia, he added. Clinton said he ran for U.S. President to make sure changes for the better come true.

Dwelling on the development of Russian economy, the U.S. President agreed transition to market economy was painful and difficult, it even disoriented Russian citizens. However, in his opinion, Russia would have to pay more for being idle or trying to turn back. State-controlled economy does not work in the modern world, said Clinton. The old system was doomed to failure, and if Russians try to re-introduce it it will fail again, assured the President.

Speaking of Russian economic problems, Clinton noted high inflation rates. In his words, the inflation must be curbed down, but it will also claim some price. Another problem is the need to create a system of social guarantees for people affected by swift economic development. Clinton said the Americans will do their best to make the difficulties easier as Russians progress on their path.

Clinton said a major task of the Russian people is consolidation of democracy, since it gives the most reliable guarantees of observation and protection of ethnic minorities' rights. In order to ensure democracy, everyone should denounce intolerance, hatred and antisemitism, said Clinton.

The U.S. President focused on human rights and said America warns other states against disrespect for rights of ethnic Russians.

Clinton said he is concerned with some irresponsible statements recently made on the Russian political scene and, without mentioning Zhirinovskiy's name, added with a smile he is not going to return Alaska to Russia.

The President expressed the assurance the future measurement of Russian greatness will be its ability to be a peace-loving neighbour.

Speaking of common European problems, Clinton noted this is the first time ever Europe is not divided, it is united with adherence to democracy, free market economy and the availability of common borders.

The U.S. state head said he is satisfied with the Russian president's decision to participate in the Partnership for Peace initiative and work for integration of Europe. He especially praised the historic Russian-U.S.-Ukrainian agreement on elimination of nuclear arms signed in Moscow.

In his opinion, it is sign the future will be considerably different from the past. The Russian fate may also influence that of America and the United States wants Russia to make decisions that will be good for itself.

Many people gathered in the Ostankino studio to meet the U.S. President. The studio was also connected with some Russian cities whose residents were welcome to ask questions.

Part of the audience, mainly philology students, asked questions in good English, which made Clinton wonder whether everyone in the studio is from Moscow State University and speaks without an accent.

Asked what is the difference between the United States and Russia, the President said Americans have created their democracy for 200 years, and Russia has the world's youngest democracy. Still, he said there is plenty of similarities in characters of the two peoples.

A representative of Stavropol Cossacks asked Clinton in what form the United States may participate in settlement of conflicts in Russia. The President gave an evasive answer and spoke of Yugoslavia where the U.N. peace-makers are trying to help avoid victims.

The President was asked two questions about the Baltic Republics. The first question wondered why America does not want to render assistance to states striving for democracy, including the Baltic Republics. The other wondered why America helps the Baltic states despite their infringement on rights of the Russian-speaking minority.

Clinton said he wants to render assistance to the Baltic states and invite them to the Partnership for Peace together with Russia. They will participate in outlining joint military plans, military operations and so on. If they decide to join NATO, they will have to take certain obligations, safety guarantees, said the President.

In the opinion of the U.S. President, the withdrawal of Russian troops from Lithuania testifies to the Russian Government's satisfaction with the state of bilateral relations.

Problems with Estonia and Latvia remain unsettled, added the President and said an international group representing CSCE is studying the human rights situation in these states. In the words of Clinton, he has warned heads of the Baltic states that if violations of rights of the Russian-speaking population are revealed, this will tell on the U.S. policy towards those states.

Asked about prospects for U.S. economic assistance to Russian businessmen, the President said he thinks there should be much more U.S. investments in Russia. In his words, the U.S. secretary of commerce will come to Russia

in March with a large group of U.S. businessmen to persuade them to invest in Russia.

The question of a 13-year-old boy "When did you decide to become U.S. President?" came somewhat unexpectedly. Clinton said he was sixteen years old when he shook Kennedy's hand and approximately at the same time he understood he wants to serve for the state.

He shook the boy's hand and said maybe one day he will become Russian president.

Speaking to the audience in Nizhny Novgorod, the President said it would be good for U.S. college and school students to come to Russia for studies. If Boris Yeltsin addresses a U.S. audience, few U.S. students would be able to talk to him in Russian, admitted the U.S. President and again praised language abilities of his young Russian interlocutors.

A youngster asked the President whether he would play saxophone for them, but Clinton answered he had played saxophone at Thursday's dinner for President Yeltsin and added he has a one-time saxophone play quota for each country.

Yeltsin Seen Choreographing Forces To Present to Clinton

MK1301115094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jan 94 p 1

[Vitaliy Tretyakov article: "Watch the Lineup of Figures. Bill Clinton Will Review Russian Political Forces—for the Most Part Pro-Presidential"]

[Text] U.S. President Clinton has arrived in Moscow. No matter how the current state of Russian-U.S. relations and especially the role of today's Russia in the world might be assessed, this is still a visit by the head of one superpower to the capital of another superpower (and not only in the nuclear sense): a demonstration, as it were, of mutual respect, recognition, and mutual acceptance of the sides' parity.

If the Russian president arrives in Washington, then, under diplomatic protocol, the heads of all the power branches in the United States would be introduced to him. Unfortunately, there is a very long way to reciprocity here.

President Clinton can hold equal-to-equal talks with President Yeltsin. But farther down the line, Prime Minister Chernomyrdin can do little more than demonstrate to the U.S. guest the proposed variants for the composition of his cabinet. Things are even worse with the parliament: Both chambers have no chairmen, but perhaps the occupant of the White House would be pleased to take a look at the symbolic pair of elders: Mr. Lukava (Liberal Democratic Party of Russia) and Mr. Chernichenko (Russia's Choice)—a model of Russian political diversity, as it were.

From the Constitutional Court (the third branch of power) it would be possible to present either acting chairman

Vitruk, if he is still alive, or Luchin, who has called a hunger strike. Oh, these Russian bears! Oh, this mysterious Russian soul!

It would also be good to show the leaders of the party that won the elections. But who would this be? Apparently Mr. Gaydar (but for some reason the winners are almost in the minority in the State Duma in relation to the losers). Or Mr. Zhirinovskiy? Or Mr. Zyuganov (after Boris Yeltsin announced the final abolition of communism in Russia this would be especially rich).

Of course, Yegor Gaydar is not uninteresting to the U.S. President in his present (not his Duma) capacity, but how long will he continue there? What matters here is not only the will of the president but also the will of Gaydar himself. The latter does not like to stay too long in a dubious situation. Especially since he (unlike Yeltsin) has nowhere to hurry.

No doubt, not everything is so sad in the ranks of the Moscow political nomenklatura. Yuriy Baturin's latest appointment as national security adviser—if this is not a purely bureaucratic intrigue (on the part of the president)—is a brilliant move which, I for one, did not expect from Yeltsin. In its long-term implications this is the sole accurate act in the last several months (since 20 September).

The overall picture however is tragicomic (an optimist would say "transitional"). There are no other guards while the presidential guard is strongly divided: Some are knee-high to a grasshopper and some are taller than the David himself who broke the neck of the Goliath of communism.

Let us be like the Chinese: Carefully look into the background of all major events in the course of the visit. How the master of ceremonies positions the figures there, so the latest (for the next few months) face of the Russian power establishment will be. A strong presidential flux is unmistakable but what interests us are the other features of the face drawn with its hands. [Silnyy prezidentskiy flyus ocheviden, no nas interesuyut drugie cherty litsa, risuyemye rukami etogo flyusa.]

Documents Drafted for Kozyrev, Christopher To Sign

LD1301154894 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] "The Russian and U.S. presidents will issue a joint Moscow Declaration and make two statements, on human rights and on nuclear non-proliferation," Galina Sidorova, political adviser to the Russian foreign minister, told Interfax. She gave an interview following talks between Russian Foreign Minister Andrey Kozyrev and Secretary of State Warren Christopher, who had met while their presidents conferred elsewhere in the Kremlin.

According to Sidorova, Kozyrev and Christopher had finalized four documents for signing "at ministerial level," in particular agreements on air traffic, on cooperation in health care and biomedical research, on cooperation in

research in radiation impact on human health and environment and a memorandum of intent on cooperation in expert control.

She noted that Kozyrev and Christopher would also make a joint statement on the Middle East.

According to Sidorova, Kozyrev and Christopher also discussed the January 14 meeting of the Russian, U.S. and Ukrainian presidents. "We are confident that this meeting will culminate in signing documents on the nuclear weapons stationed in Ukraine. Kozyrev observed, however, that making sure that the documents are implemented was even more important," Sidorova said.

She also told Interfax that Kozyrev and Christopher had a thorough talk on the results of the Brussels NATO summit. "The Russian foreign minister emphasized that Moscow regarded the Partnership for Peace program as an invitation for partnership and tangible cooperation with that organization rather than staying in its ante-room," Sidorova said.

In her words, the most important item in that program for Russia was actual cooperation in military exercises and adjustment of military doctrines. "It would be premature to say now where this will lead to, whether Russia and other East European countries will join NATO or NATO and all of us will become a broader European security organization," the foreign minister's adviser said.

Joint Statements Issued, Declaration Signed

Yeltsin Backs 'Partnership for Peace'

LD1401090894 Moscow ITAR-TASS in English 0841 GMT 14 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—Russia agreed to "actively participate" in the "Partnership for Peace" plan and the Russian and US Presidents agreed that Europe should no longer be divided and that a new security order is to be created on the continent.

The "Partnership for Peace" plan is an important element of the new security order and Russia is going to actively participate in it, according to the Moscow Declaration signed by Boris Yeltsin and Bill Clinton on Friday.

"The Partnership for Peace... is an important element of emerging new European security architecture. President Yeltsin informed President Clinton of Russia's intention to participate actively in the Partnership for Peace and to conclude substantive agreements opening way [as received] for broad and intensive cooperation between NATO and Russia as a partner", the declaration said.

"Proceeding from the conviction that new divisions of Europe must be avoided, the Presidents... agreed upon the need to create a new European security order that is inclusive, non-discriminatory and focused on practical political and security cooperation", according to the document.

Clinton welcomed the prospect of Russia's active participation in the "Partnership for Peace", the declaration said.

'Aggressive Nationalism' Denounced

LD1401092794 Moscow ITAR-TASS in English 0900 GMT 14 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—The Russian and US Presidents urged to observe human rights and denounced aggressive nationalism and political extremism in a joint statement adopted on Friday.

The Presidents "share the view that full guarantees of respect for human rights and fundamental freedoms of all persons are indispensable for the maintenance of good relations between countries and the strengthening of stability and security in the world", according to the statement on human rights.

Boris Yeltsin and Bill Clinton agreed that "aggressive nationalism and political extremism are the main threat to peace and democracy today" and reaffirmed their resolve to eliminate discrimination, intolerance, racial and national prejudices, xenophobia and anti-Semitism.

The presidents said they would take coordinated steps to boost activities of international organizations in order to improve human rights practices in the world.

Bill Clinton reaffirmed the support of his country for democratic reforms in Russia and the two presidents agreed that democratic transformations in Russia are of great importance for promoting democracy and human rights in the world, as well as for maintaining international stability and security.

States Urged To Join Non-Proliferation Treaty

LD1401101894 Moscow ITAR-TASS in English 0953 GMT 14 Jan 94

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—The Russian and US Presidents called on all states of the world to join the Nuclear Non-Proliferation Treaty and pledged to cooperate in order to prevent the spread of mass destruction weapons.

The Presidents called for an "indefinite and unconditional extension" of the Nuclear Non-Proliferation Treaty at the conference of its participants in 1995 and "urged that all states that have not yet done so to accede to this treaty", according to a joint statement adopted by Boris Yeltsin and Bill Clinton on Friday.

They called on North Korea to honour its obligations under the treaty and urged a full and speedy denuclearisation of the Korean peninsula. They also called on India and Pakistan to refrain from deploying ballistic missiles capable of delivering weapons of mass destruction.

In order to promote the non-proliferation regime the Presidents stressed the need for a comprehensive ban on

nuclear tests and on the production of fissile materials for nuclear weapons, including military plutonium.

Yeltsin and Clinton reaffirmed their desire "to facilitate the safe, secure, timely and ecologically sound destruction of chemical weapons" in Russia and the United States.

The USA is going to provide "additional 30 million dollars in assistance to support an analytical chemical laboratory in Russia to facilitate chemical weapons destruction... And to consider other measures to support Russia's chemical weapons destruction programme", according to the document.

The Presidents also urged a strict compliance with the convention prohibiting biological and toxin weapons and pledged to cooperate in preventing the proliferation of missiles capable of carrying mass destruction weapons.

Statement on Non-Proliferation

LD1401123294 Moscow ITAR-TASS in English 1151 GMT 14 Jan 94

[Text] Joint Statement by the President of the Russian Federation and the President of the United States on Non-Proliferation of Weapons of Mass Destruction and the Means of Their Delivery

President Yeltsin and President Clinton, during their meeting in Moscow on January 14, 1994, agreed that the proliferation of weapons of mass destruction and their missile delivery systems represents an acute threat to international security in the period following the end of the Cold War. They declared the resolve of their countries to cooperate actively and closely with each other, and also with other interested states, for the purpose of preventing and reducing this threat.

The presidents noted that the proliferation of nuclear weapons created a serious threat to the security of all states, and expressed their intention to take energetic measures aimed at prevention of such proliferation.

- Considering the Treaty on the Non-Proliferation of Nuclear Weapons as the basis for efforts to ensure the non-proliferation of nuclear weapons, they called for its indefinite and unconditional extension at conference of its participants in 1995, and they urged that all states that have not yet done so accede to this treaty.
- They expressed their resolve to implement effective measures to limit and reduce nuclear weapons. In this connection, they advocated the most rapid possible entry into force of the START I and START II Treaties.
- They agreed to review jointly appropriate ways to strengthen security assurances for the states which have renounced the possession of nuclear weapons and comply strictly with their non-proliferation obligations.
- They expressed their support for the International Atomic Energy Agency [IAEA] in its efforts to carry out its safeguards responsibilities. They also expressed their intention to provide assistance to the agency in the safeguards field, including through joint efforts of their relevant laboratories to improve safeguards.
- They supported the nuclear suppliers group, and agreed with the need for effective implementation of the principle of full-scope IAEA safeguards as a condition for nuclear exports with the need for export controls on dual-use materials and technology in the nuclear field.
- They reaffirmed their countries' commitment to the conclusion as soon as possible of an international treaty to achieve a comprehensive ban on nuclear test explosions and welcomed the decision to begin negotiations at the conference on disarmament. They declared their firm intention to provide political support for the negotiating process, and appealed to other states to refrain from carrying out nuclear explosions while these talks are being held.
- They noted that an important contribution to the goal of non-proliferation of nuclear weapons would be made by a verifiable ban on the production of fissile materials for nuclear weapons and by the most rapid conclusion of an international convention to this effect with the widest possible participation of states and on a non-discriminatory basis.
- They agreed to cooperate with each other and also with other states to elaborate measures designed to prevent the accumulation of excessive stocks of fissile materials and over time to reduce such stocks.
- They agreed to establish a joint working group to consider:
 - including in their voluntary IAEA safeguards offers all source and special fissionable materials, excluding only those facilities associated with activities having direct national security significance;
 - steps to ensure the transparency and irreversibility of the progress of reduction of nuclear weapons, including the possibility of putting a portion of fissionable material under IAEA safeguards. Particular attention would be given to materials released in the process of nuclear disarmament and steps to ensure that these materials would not be used again for nuclear weapons.
- The presidents also tasked their experts to study options for the long-term disposition of fissile materials, particularly of plutonium, taking into account the issues of non-proliferation, environmental protection, safety, and technical and economic factors.
- They reaffirmed the intention of interested organizations of the two countries to complete within a short time a joint study of the possibilities of terminating the production of weapon-grade plutonium.
- The presidents agreed that reduction of the risk of theft or diversion of nuclear materials is a high priority, and in this context they noted the usefulness of the September 1993 agreement to cooperate in improving the system of controls, accounting, and physical protection for nuclear materials. They attached great significance to further joint work on the separate but mutually connected problems of accounting for nuclear materials used in the civilian and military fields.

Both presidents favored a further increase in the efforts to prevent the proliferation of chemical and biological weapons.

—As the heads of the countries that have the world's largest stockpiles of chemical weapons, they acknowledged particular responsibility for eliminating the threat posed by these weapons. In this context, they declare their resolute support for the convention on the prohibition of chemical weapons, and their intention to promote ratification as rapidly as possible and entry into force of the convention not later than 1995.

—To promote implementation of a comprehensive ban on chemical weapons, they welcomed the conclusion of the implementing documents for the Wyoming memorandum of understanding and agreed to conclude work in as short a time as possible on the implementing documents for the bilateral agreement on the destruction of chemical weapons.

—The presidents reaffirmed their desire to facilitate the safe, secure, timely, and ecologically sound destruction of chemical weapons in the Russian Federation and the United States. They applauded the joint chemical weapons destruction work plan recently concluded between the two countries which leads the way for the United States to provide additional 30 million dollars in assistance to support an analytical chemical laboratory in Russia to facilitate chemical weapons destruction. The United States also agreed to consider appropriate additional measures to support Russia's chemical weapons destruction programme.

—They reiterated the importance of strict compliance with the convention on the prohibition of biological and toxin weapons and of continued implementation of measures in accordance with the Russian-American-British statement of September 1992, which provides inter alia for the visits of facilities and meetings between experts in order to ensure confidence in the compliance with the convention.

—They supported convening a special conference of the states' parties to the convention on the prohibition of biological and toxin weapons in order to consider measures that would contribute to transparency and thereby confidence in compliance with the convention and its effectiveness.

The presidents expressed the determination of their countries to cooperate with each other in preventing the proliferation of missiles capable of carrying weapons of mass destruction.

—They welcomed the conclusion of the bilateral memorandum of understanding between the Government of the Russian Federation and the Government of the United States of America signed in September 1993, noted the importance of this agreement for ensuring mutually beneficial cooperation between Russia and the U.S. in the field of space exploration, and agreed to collaborate closely in order to ensure its full and timely implementation.

—The U.S. welcomed Russia's intention to join the Missile Technology Control Regime [MTCR] and undertook to cooperate with Russia in facilitation of its membership at an early date. The Russian Federation and the United States of America are certain that further improving the MTCR, including the prudent expansion of membership, will help reduce the threat of proliferation of missiles and missile technologies in the regional context as well.

The presidents of the two countries agreed that, in addition to strengthening global norms of non-proliferation and working out agreements to this effect, close cooperation is essential in order to develop policies on non-proliferation applicable to specific regions posing the greatest risk of proliferation of weapons of mass destruction and their means of delivery.

—They agreed that nuclear weapons on the Korean Peninsula would represent a grave threat to regional and international security, and decided that their countries would consult with each other on ways to eliminate this danger. They called upon the DPRK to honour fully its obligation under the Treaty on the Non-Proliferation of Nuclear Weapons and its safeguards agreement with the IAEA in connection with the treaty, and to resolve the problems of safeguards implementation, inter alia, through dialogue between IAEA and DPRK. They also urged full and speedy implementation of the joint declaration of the ROK and the DPRK on denuclearization of the Korean Peninsula.

—They support efforts to reach agreement on the establishment of a multi-lateral forum to consider measures in the field of arms control in non-proliferation that could strengthen security in South Asia. They call on India and Pakistan to join in the negotiation of and become original signatories to the treaty banning nuclear weapons test explosions and the proposed convention to ban production of fissile materials for nuclear explosives and to refrain from deploying ballistic missiles capable of delivering weapons of mass destruction to each other's territories.

—They agreed that Russia and the U.S., as co-chairs in the Middle East peace process, would actively promote progress in the activity of the working group for arms control and regional security in the Middle East, striving for speedy implementation of confidence-building measures and working toward turning the Middle East into a region free of weapons of mass destruction, where conventional forces would not exceed reasonable defense needs.

—They firmly supported the efforts of the UN special commission and the IAEA to put into operation a long-term monitoring system of the military potential of Iraq, and called upon Iraq to comply with all UN Security Council resolutions.

Success in Mideast Talks Urged*LD1401101194 Moscow ITAR-TASS in English 0955
GMT 14 Jan 94*

[By ITAR-TASS correspondent]

[Text] Moscow January 14 TASS—Russia and the United States urged to ensure a comprehensive, just and lasting peace in the Middle East, welcomed progress achieved in the Jordanian-Israeli peace process and wished the same success to Syrian-Lebanese talks.

“The Russian Federation and the United States of America, recognizing their special responsibility as cosponsors of the Middle East peace process, reiterate their firm commitment to achieving the goal of a comprehensive, just and lasting peace in the Middle East, based on Resolutions 242 and 338 of the Security Council”, according to a statement adopted by at the Russian-US summit Friday.

The two countries are determined to support the efforts of the parties to implement the Palestinian-Israeli declaration of principles which is critical for relations between the Israelis and the Palestinians.

“Russia and the United States welcome progress achieved on the Jordanian-Israeli track of the peace process, and underscore their determination to help the parties make progress on the Syrian and Lebanese tracks as well”, the statement said.

‘Text’ of Statement on Middle East*LD1401121294 Moscow ITAR-TASS in English 1158
GMT 14 Jan 94*

[Text] Moscow January 14 TASS—Follows the text of the Russian-US statement on the Middle East:

The Russian Federation and the United States of America, recognizing their special responsibility as cosponsors of the Middle East peace process, reiterate their firm commitment to achieving the goal of a comprehensive, just and lasting peace in the Middle East, based on resolutions 242 and 338 of the Security Council.

In moving towards this goal, Russia and the United States, building on the progress to date in the peace progress, are determined to support the efforts of the parties to implement the Palestinian-Israeli declaration of principles. Implementation of the declaration of principles is critical to changing the relationship between the Israelis and the Palestinians.

Russia and the United States welcome progress achieved on the Jordanian-Israeli track of the peace process, and underscore their determination to help the parties make progress on the Syrian and Lebanese tracks as well. Both sides hope that in their quest for peace all participants in negotiations will display a high sense of responsibility, necessary flexibility and political farsightedness.

Joint Statement on Human Rights*LD1401120294 Moscow ITAR-TASS in English 1149
GMT 14 Jan 94*

[Text] [no datelined as received]—The president of the Russian Federation and the President of the United States of America share the view that full guarantees of respect for basic human rights and fundamental freedoms of all persons are indispensable for the maintenance of good relations between countries and the strengthening of stability and security in the world. They also share the view that the development of a state founded on the rule of law with an independent, impartial and effective legal system is essential for the respect of human rights.

They agree that aggressive nationalism and political extremism are the main threat to peace and democracy today. They therefore reaffirm their resolve to focus attention, through joint efforts where possible, on violations of human rights wherever they may occur and to continue to work for the elimination of discrimination, intolerance, racial and national prejudices, xenophobia and anti-Semitism. Adhering to the principle of intolerance of any nationalistic or religious extremism, they reiterate their commitment to take all necessary measures for the effective guarantee of the rights of all citizens, regardless of their nationality or religion.

They will take coordinated steps to increase the effectiveness of the activities of international organizations and mechanisms in order to improve human rights practices everywhere and to guarantee their full respect. They reaffirm the determination of CSCE foreign ministers in Rome that better use of CSCE human dimension instruments, including CSCE missions, should be made to promote open and diverse media. They reiterate their commitment to safeguard freedom of expression as a basic human right and underscore its importance for a free and open society.

The United States reaffirms its support for democratic reforms in Russia. Among these reforms are the establishment of an independent judiciary as a fundamental part of a state based on the rule of law, the strengthening of other foundations of a civil society, and full realization of personal rights and liberties. The presidents agree that the continued success of the democratic transformations in Russia is of great importance for the promotion of the principles of democracy and human rights all over the world and for the maintenance of international stability and security.

‘Text’ of Moscow Declaration*LD1401121694 Moscow ITAR-TASS in English 1146
GMT 14 Jan 94*

[“Text of the Russian-U.S. Moscow Declaration”]

[Text] [no dateline as received] The President of the Russian Federation Boris Yeltsin and the President of the United States, William J. Clinton, having met together in Moscow from January 12-15, 1994, reaffirmed the fundamental importance of Russian-U.S. cooperation based upon the Charter of Russian-American Partnership and

Friendship, the Vancouver Declaration, and existing treaties and agreements. They noted with satisfaction that the relationship between Russia and the United States has entered a new stage of mature strategic partnership based on equality, mutual advantage, and recognition of each other's national interests. From this perspective, they reviewed the full range of bilateral and international issues.

The two presidents had an extensive discussion of security issues, including arms reduction and non-proliferation regimes. They agreed upon the need to strengthen those regimes and to create, together with other interested states, a new mechanism to enhance transparency and responsibility in the transfer of conventional arms and sensitive dual use technologies. They also strongly supported completion of negotiations on a comprehensive test ban at the earliest possible time. The two presidents reiterated their support for a cutoff of production of fissile materials for weapons and considered new measures to strengthen strategic stability.

Based on ongoing discussions of strategic disengagement measures between the Ministries of Defense of the two countries, the presidents announced that they would direct the detargeting of strategic nuclear missiles under their respective commands so that by not later than May 30, 1994 those missiles will not be targeted. Thus, for the first time in nearly half a century—virtually since the dawn of the nuclear age—Russia and United States will not operate nuclear forces, day-to-day, in a manner that presumes they are adversaries.

Presidents Boris Yeltsin and Bill Clinton expressed satisfaction with the accelerating development of a wide range of economic, scientific and technological relationships between Russia and the United States. They also reaffirmed their strong support for the rapid growth of bilateral trade and investment as a special priority. In their view, the Gore-Chernomyrdin Commission has become a dynamic and effective mechanism for coordination and expansion of Russian-U.S. cooperation. A key expression of this relationship is the Russian-U.S. joint cooperation in space, especially their partnership, with other interested parties, in the construction of a space station.

The two presidents reaffirmed their readiness to move forward on the path of openness and mutual trust in Russian-U.S. relations and to create favorable conditions for the comprehensive development of political, commercial, humanitarian and people-to-people contacts between the two countries. In this connection, a mutual interest in enlarging consular presence on each other's territory was expressed. In particular, the American side intends to open a consulate general in Yekaterinburg in February 1994.

With the approval by the U.S. Congress of NAFTA [North American Free Trade Agreement] and the successful completion of the Uruguay round of global trade negotiations, President Yeltsin and President Clinton welcomed the accelerating progress toward creation of an open and prosperous world economy and trading system. President Yeltsin informed President Clinton of recent steps among

the member-states of the Commonwealth of Independent States towards increased economic coordination and cooperation. The two presidents agreed that such initiatives, pursued in an open and voluntary manner consistent with GATT rules and procedures, should be conducive to the rapid inclusion of all the participating states into the global economy.

In this context, President Yeltsin and President Clinton exchanged views on the economic strategies of their respective governments. President Yeltsin described the economic situation in Russia. He affirmed the irreversibility of Russia's transition to a market economy and his intention to further promote reforms and to address social needs associated with this transition. President Clinton stressed his strong support for Russian reform and suggested that social issues could be a new and promising area for cooperation.

President Yeltsin and President Clinton noted with satisfaction that the end of the Cold War has brought continuous progress toward overcoming the division of the European continent and opened the way for broad cooperation among European states on a new agenda of urgent tasks, with priority being given to preventive diplomacy, peacekeeping and protection of human rights and the rights of national and other minorities. In this connection, the two presidents welcomed the decisions of the CSCE foreign ministers' meeting in Rome, which they consider to be an important step in making the CSCE a key mechanism of international cooperation in Europe.

Proceeding from the conviction that new divisions of Europe must be avoided, President Yeltsin and President Clinton agreed upon the need to create a new European security order that is inclusive, non-discriminatory and focused on practical political and security cooperation. The two presidents agreed that the concept of the Partnership for Peace adopted at the Brussels meeting of the NATO member states is an important element of an emerging new European security architecture. President Yeltsin informed President Clinton of Russia's intention to participate actively in the partnership for peace and to conclude substantive agreements opening the way for broad and intensive cooperation between Russia and NATO as a partner. Taking into account Russia's international role, President Clinton welcomed the prospect of Russia's active participation in the Partnership for Peace.

The two presidents condemned aggressive nationalism, violations of human rights, and religious intolerance of any kind, including anti-Semitism. They expressed serious concern about the existence and potential for intensification of conflicts in the former Yugoslavia and in a number of the new independent states of the former Soviet Union. President Yeltsin apprised President Clinton of the peacekeeping efforts undertaken by Russia on the territory of the former USSR. The two presidents are determined to intensify the coordination of their efforts, within the framework of the United Nations and the CSCE, to promote rapid and peaceful resolution of conflicts on conditions that correspond to generally accepted standards

of international law, including respect for the independence, sovereignty, and existing borders of the new independent states of the former Soviet Union.

The two presidents reaffirmed the support of Russia and the United States for the United Nations. They will act with other countries to strengthen the potential of the UN to support and establish peace and to prevent conflicts. The two sides will work out practical activities among themselves and other countries to improve preparation for participation in UN peacekeeping operations. In connection with the upcoming 50th anniversary of the UN, Presidents Bill Clinton and Boris Yeltsin consider it important to convene at the appropriate time a meeting of the heads of state and government of the members of the UN Security Council for a review of the work established for the UN at the January 1992 Security Council summit and an examination of tasks for the future.

President Yeltsin and President Clinton are convinced that the United States and Russia will continue to consolidate their partnership and together promote global stability, peace, and prosperity.

Done in Moscow on January 14, 1994, in two copies, each in the English and Russian languages.

[Signed] On behalf of the Russian Federation: President Boris Yeltsin

On behalf of the United States of America: President Bill Clinton

'Text' of Memorandum on Export Controls

LD1401124194 Moscow ITAR-TASS in English 1213 GMT 14 Jan 94

[Text] Memorandum of Intent Between the Government of the United States of America and the Government of the Russian Federation on Cooperation in the Area of Export Control

The Government of the United States of America and the Government of the Russian Federation,

reaffirming their desire to promote the strengthening of measures directed against the proliferation of weapons, as well as the technologies and specialized experience relating to such weapons;

desiring to develop cooperation of the Russian Federation and the United States of America in the area of export controls;

noting that cooperation in strengthening the export control systems in the Russian Federation and the United States of America will promote the development of economic, scientific, and technological relationships between the two countries in accordance with principles of equality and mutual benefit;

intend to cooperate in any or all of the following areas:

A. Conducting bilateral and multilateral discussions at the political and technical level on matters relating to the enhancement of export control systems;

B. Conducting bilateral consultations at the expert and government levels on obligations relating to non-use of export controlled items for unapproved purposes;

C. Conducting bilateral consultations on specific multilateral export control regimes and their implementation and on the technical parameters of the items and technologies covered by them;

D. Participating in seminars, conferences, and other multilateral meetings devoted to considering export control issues;

E. Discussing opportunities to train personnel involved with export control, the work of licensing and customs agencies;

F. Joint efforts to expand cooperation in the area of export control.

The parties may establish expert working groups for the purposes of carrying out this memorandum of intent.

Done in Moscow, this 14th day of January, 1994, in two copies, each in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America: President Bill Clinton

For the Government of the Russian Federation: President Boris Yeltsin

Arms Sales Controls, Policy

LD1401125194 Moscow ITAR-TASS in English 1212 GMT 14 Jan 94

[Text] Joint Statement on Issues of Export Controls and Policy in the Area of Transfers of Conventional Weapons and Dual-Use Technologies

The secretary of state of the United States of America and the minister of foreign affairs of the Russian Federation underscored the staunch commitment of their countries to efforts to curb the proliferation of weapons of mass destruction and to enhance global and regional stability. In keeping with the spirit of the new strategic partnership between the United States and Russia the ministers have agreed on development of wide-ranging cooperation in the field of export control. Moreover, they have agreed that all necessary steps in this field be taken expeditiously, and have established a senior-level working group for this purpose, as well as to initiate bilateral cooperation in the areas specified in a memorandum of intent signed this day in Moscow.

The ministers expressed satisfaction with steps taken since the last meeting of the President of the United States and the president of the Russian Federation to eliminate the vestiges of the Cold War, such as the Coordinating Committee for Multilateral Export Controls (COCOM), which according to the understanding reached by COCOM members will be terminated not later than March 31, 1994. They also welcomed the decision to establish a new multilateral regime for enhancing responsibility and transparency in the transfers of armaments and sensitive dual-use technologies. This new arrangement would not be directed

against any state or group of states, and would prevent the acquisition of such items for military end uses if the behavior of a state is or becomes a cause for serious concern as determined by the participants of the new multilateral regime.

The United States and Russia, as leading exporters of conventional weapons, military equipment and dual-use technologies, are convinced that additional measures are needed on an international basis to increase responsibility, transparency and, were appropriate, restraint in this area. They expressed their willingness to work with other countries in bringing about the early establishment of a new multilateral regime in order to achieve these objectives, which would supplement existing non-proliferation regimes, in particular through arrangements to exchange information for the purpose of meaningful consultations.

Other Documents Signed

LD1401142194 Moscow ITAR-TASS in English 1407 GMT 14 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Genadiy Talalayev]

[Text] Moscow January 14 TASS—Twelve bilateral documents have been adopted during the Russian-American summit according to the latest official information received by ITAR-TASS.

This morning Russian President Boris Yeltsin and U.S. President Bill Clinton signed in the Kremlin the Moscow declaration confirming the fundamental importance of Russian-American cooperation for global stability.

Joint statements on human rights and on non-proliferation of weapons of mass destruction and the means of their delivery were adopted on behalf of the Presidents of the two countries.

Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher signed intergovernment agreements on air links, on cooperation in health services and biomedical research, on cooperation in the study of radiation hazards for human health and the environment, as well as the memorandum of intent on cooperation in export controls.

Joint statements on export controls and on the Middle East were adopted on behalf of the heads of the foreign policy departments of Russia and the United States.

A package of documents on the implementation of the second stage of the 1989 Wyoming memorandum and the contract on the sale of low-grade uranium extracted from enriched uranium were also signed in the framework of the summit. The joint statement of intent was also announced to implement the Russo-American "partnership" programme of exchange of entrepreneurs and specialists ("Business for Russia").

Kiev Denies Fuel Debt-Nuclear Treaty Trade-Off

PM1301165194 Moscow KOMSOMOLSKAYA
PRAVDA in Russian 13 Jan 94 p 3

[Article by Yelena Ovcharenko and Leonid Timofeyev under the general heading "U.S. President Has Entered Our House With His Own Personal Dream": "Moscow: Around the Samovar at 'Spaso-House'"]

[Text] For us simple mortals it is a cinch to invite around some guests, but take the example of the meeting with prominent Russians invited to the [ambassadorial] residence "Spaso-House" on the occasion of the U.S. President's visit, which is already the subject of criticism and remarks. The American side acted in the following manner: Of the 170 guests, 100 are well-known for their progovernment views and 70 are reformers of a whole range of persuasions. The press was also invited. They decided not to invite Zhirinovskiy. But such an authority as former U.S. Secretary of State James Baker, when questioned by American television about this, gave a reply to the effect that the organization of this event already seems to him to have failed. Instead of this pompous political display, 30-40 genuine Russian political leaders should have been invited, and should have had a concrete, serious, informal discussion with him, meeting behind closed doors away from the press. Incidentally, Zhirinovskiy should have been invited. So that he would be one among many. And deprived of the political exclusivity which was created for him after the elections. But as we learned from American sources, the advisers who prepared the guest list became fearful lest Vladimir Volfovich might put the President in an embarrassing position at this informal shindig with his latest utterance.

In general protocol is a delicate matter. It looks as if we have the makings of a major incident. The President's spur-of-the-moment stop-off at Borospil airport [Kiev] has in the space of one and a half days become an event of state significance, in the wake of which an agreement between Russia and Ukraine will be signed. Its aim is to eliminate Ukraine's nuclear weapons in exchange for a whole series of political and economic gains. For example, according to THE WASHINGTON POST, Russia will decline payment from this republic for its enormous debt for energy resources. Ukraine will also receive nuclear fuel and economic and technical assistance. We should remind the reader that Kiev is receiving \$5 billion from across the ocean for the nuclear payload of each missile warhead which has already been shipped to Russia.

So, what lies in store for Ukraine? What concessions are we talking about? The Treaty on the Principles for Eliminating Nuclear Weapons Situated on Ukrainian Territory will be the title of the document which, it is expected, Presidents Yeltsin, Clinton, and Kravchuk will sign in Moscow 14 January. What is more Ukraine will sign it as an interested party which earlier announced its voluntary renunciation of the possession of this type of weaponry. Russia and the United States will in this instance appear as nuclear powers and guarantors of Ukraine's security.

The document concerns a very sensitive area. However, in spite of reports in the U.S. press, Ukrainian diplomats working in Moscow expressed their doubts to us that the treaty will contain any secret articles. It is not the president's business to keep secret that in which everybody has an interest and which one would hardly succeed in suppressing.

They also categorically rejected the above news that Ukraine had "exchanged" the agreement to eliminate nuclear weapons for a cancellation of their debts to Russia for energy sources supplied by it. That is, the draft treaty is about nuclear weapons, conditions for their elimination, and guarantees of security, and is not about debts for oil or gas.

True, one ticklish factor does remain in connection with the Ukrainian opposition's demand to subject the tripartite document to a process of ratification. The Law on the President grants Leonid Kravchuk powers to put his signature to such a treaty. According to representatives of the Ukrainian Embassy in Moscow, it will become apparent what legal mechanisms to put into effect in the future.

...One week before Clinton's departure for Europe, the journal *NEWSWEEK* writes, passersby in the vicinity of the White House ran the risk of being picked up and taken to the President in person so that they could give him their opinion of U.S. foreign policy. It was through this quip that our colleagues conveyed a picture of the frantic consultations which were order of the day on the eve of his trip. As well as the President's notorious habit of canvassing dozens of people's opinions—from cleaners to experts—before making decisions.

Congress and the American public opinion had been in a stew for a long time over Kiev's intractability concerning nuclear weapons. Even if Clinton's visit to Moscow is not crowned with outstanding success, the signing of the tripartite agreement may be credited not just to the U.S. President, but also to his colleagues from Moscow and Kiev.

Documents on Ukraine Nuclear Weapons To Be Signed

LD1301214794 Moscow ITAR-TASS in English 1625 GMT 13 Jan 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow January 13 TASS—Documents on problems on nuclear arms in Ukraine are expected to be signed at a tripartite summit of Russia, the United States and Ukraine on Friday. A mechanism of the implementation of Ukraine's decision on the withdrawal of nuclear warheads from its territory will also be worked out, ITAR-TASS learned from informed sources on Thursday.

This applies to 176 intercontinental ballistic missiles and some 1,500 warheads. Weapons that, in opinion of the U.S. side, are the most dangerous ones, SS-24 and SS-19

missiles, are to be dismantled within three years under an agreement that is to be signed.

The signing of the documents on dismantling the entire Ukrainian nuclear potential is to end a prolonged debate on the destiny of the Soviet nuclear arsenal that remained in the Ukrainian territory after the Soviet Union's dissolution in 1991. This will mean keeping to the schedule outlined in the 1992 Lisbon protocols. Under the protocols two other former Union republics with nuclear arms—Kazakhstan and Belarus—supported the nuclear nonproliferation treaty and agreed to destroy nuclear arms, turning them over to Russia for the purpose.

But the Ukrainian parliament, ratifying the Strategic Arms Limitation Treaty on November 18, 1993, made a number of reservations: on the control of strategic nuclear forces in the Ukrainian territory, on the elimination of extra carriers and charges, on control over disassembly and destruction of nuclear charges. Ukraine made its non-nuclear status and stage-by-stage elimination of nuclear weapons conditional upon guarantees of its national security by nuclear states.

Several rounds of tripartite talks of Russia, Ukraine and the United States were held last month. The foreign press notes they were held until President Clinton said in Brussels on Monday that an agreement on problems of nuclear arms in Ukraine became a reality.

The compensation and splitting between Ukraine and Russia of proceeds from the sale of enriched uranium was among central problems at the talks. The United States pledged itself to form a semi-state corporation which will buy uranium contained in warheads for nuclear power plants to make up for the expenditures for nuclear arms destruction. In the runup to the President's visit to Moscow, the U.S. Congress earmarked a sum of 175 million dollars as a step to promote the destruction of nuclear warheads in Ukraine, to compensate for the dismantling of nuclear arms. The U.S. Congress also endorses economic aid to Ukraine amounting to 155 million dollars.

Participants in the tripartite negotiations believe the signing of documents on problems of nuclear arms in Ukraine must ease tensions that have complicated relations between the United States, Russia and Ukraine of late. New agreements in Moscow will promote the establishment of peace and tranquility in the world and a greater cooperation of the three countries.

Kravchuk Arrives, Comments

LD1301211094 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 13 Jan 94

[Interview with Ukrainian President Leonid Kravchuk by correspondent Natalya Chernyshova at the Moscow airport on 13 January; from the "Novosti" newscast—recorded]

[Text] [Chernyshova] Leonid Makarovich, would you say a few words about your talks with Clinton?

[Kravchuk] They were good, normal talks. We discussed several problems. The first one, naturally, was the nuclear problem; the second, the economic problem, our relations with the United States. We discussed questions connected with tomorrow's signing of documents by the presidents of Russia, the United States, and Ukraine. I think this is a great breakthrough, a political and economic breakthrough. The main thing is that we have succeeded in resolving a very complicated global problem—the nuclear one—in a civilized way, in the interests of our states, Russia, Ukraine, and the United States, and, of course, of the entire world.

[Chernyshova] What compromises have been made by Ukraine and by Russia?

[Kravchuk] Well, we made compromises, naturally. We have reached an agreement that is no longer a secret: compensation for Ukraine's tactical nuclear weapons, and, of course, the agreements that have already been signed on strategic nuclear weapons, normal economic relations, normal economic ties, the exclusion of any pressure, territorial integrity of states, mutual respect, relations of partnership. Frankly this is nothing new. It is all generally accepted in the world. Our only problem is that so far we have found it very difficult to get accustomed to this.

[Chernyshova] Will the Ukrainian parliament ratify this agreement?

[Kravchuk] I think it will ratify the agreement because it is a good solution for everyone, including us, because it increases our people's awareness that we are being treated with respect as a country, as a state, and not as some, well, secondary appendage. That is the first point. Second, everything is being resolved fairly, therefore the parliament must ratify the agreement. I am convinced of this.

[Chernyshova] And tomorrow you will sign the agreement?

[Kravchuk] Absolutely.

Makes Statement Upon Arrival

LD1301230294 Moscow INTERFAX in English 1959 GMT 13 Jan 94

[Text] President Leonid Kravchuk of Ukraine declared upon his arrival in Moscow that the documents on nuclear disarmament to be signed by the leaders of the U.S., Russia, and Ukraine on Friday were the fruit of natural compromises.

Ukraine gets compensation for battlefield nuclear weapons. "We have also secured smooth economic relations, confirmed territorial integrity, respect for each other, and partnership," Kravchuk said. "That, he added, can hardly be called a compromise because such relations are taken for granted as absolutely normal ties, only we have been getting used to them with difficulty so far."

Talking to an Interfax correspondent, Kravchuk voiced confidence that parliament would ratify the accords as they offer a good solution to this very complex world problem.

"The people and parliament of Ukraine will see that their republic is treated with respect as a country rather than a second rate nation and that all issues are being settled fairly."

The president voiced readiness to risk his political career. "The career of a politician cannot compare with the global problem we are solving. I do not put my career above this global issue. I will do all I can so that Ukraine does not stand in the way of nuclear disarmament," Kravchuk stressed.

He reported that Russia and Ukraine were working out a friendship treaty that would rest on a new basis and awareness of responsibility to people and history. "We will remove the acute issues dividing us. We will resolve the nuclear problem tomorrow. And then we will settle the problem of the Black Sea Fleet," the Ukrainian president said.

Tripartite Summit Begins

LD1401060494 Moscow ITAR-TASS World Service in Russian 0555 GMT 14 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Genadiy Talayev]

[Excerpt] Moscow, 14 Jan—The trilateral meeting between the delegations of Russia, the United States, and Ukraine—which are being led by Presidents Boris Yeltsin, Bill Clinton, and Leonid Kravchuk—has begun in the Catherine Room of the Great Kremlin Palace. [passage omitted]

Tripartite Agreement Signed

LD1401070394 Moscow ITAR-TASS in English 0658 GMT 14 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Genadi Talalayev]

[Text] Moscow January 14 TASS—The presidents of Russia, the United States and Ukraine Boris Yeltsin, Bill Clinton and Leonid Kravchuk signed a tripartite statement and an appendix to it on the elimination of nuclear weapons on the Ukrainian territory. The documents were signed in the St. Catherine's hall of the Grand Kremlin Palace.

They reaffirmed the non-nuclear status of Ukraine and provided mechanisms of the withdrawal of nuclear warheads from its territory to Russia, as well as compensation to Ukraine for the warheads turned over to Russia.

Russia and the United States will guarantee to Ukraine its security as a non-nuclear state.

Further on Agreement

LD1401074394 Moscow Mayak Radio Network in Russian 0640 GMT 14 Jan 94

[Text] Documents with regard to the Russian-U.S. talks are to be signed in the Kremlin today. Our observer Yuliy Semenov has the details and is on the phone:

[Semenov] Hello again from the Kremlin. The Kremlin is magnificent, as ever, but both presidents and their assistants have other things on their minds, working hard since early morning.

Several minutes ago the trilateral meeting smoothly turned into a bilateral one. Documents on the results of the meeting between the three presidents connected with the problem of Ukraine's nuclear disarmament have been signed: a joint statement, which has the status of a treaty, an appendix to it, and letters that the delegations exchanged, setting out their specific views.

The essence of what has taken place is that the agreement that has been reached reflects a balance of interests. Each side had to make some concessions, but the final result is a victory for all—a victory for the principle of the non-proliferation of nuclear arms.

Two hundred nuclear warheads will be transported from Ukraine into Russia over the next 10 months, and the withdrawal timetable will be agreed on. It is not being made public because it is a working schedule.

The United States and Russia extend security guarantees to Ukraine. Great Britain, as is known, has already joined in this. Russia will compensate Ukraine in an equitable and honest way—as Boris Yeltsin put it—for its nuclear fuel, and a proportion of Ukraine's financial debt to Russia is wiped off as part of this compensation.

For its part, the United States will substantially assist Russia and Ukraine in the implementation of the accords, and this naturally includes material assistance. All the participants in the meeting have appraised these results as a breakthrough.

Replying to journalists' questions following the signing of the documents—a brief meeting took place—Yeltsin said that this was a historic day for the nuclear security of the whole world and for the non-proliferation of nuclear weapons and was an important step in world disarmament.

Bill Clinton's view is that by agreeing to sign these documents and to resolve problems, Ukraine has made its position in the world weightier, having strengthened the security of the United States, Russia, Ukraine, and world security as a whole. Clinton said that the potential for nuclear espionage, terrorism, and blackmail has been diminished.

This will make it possible both for Russia and Ukraine to raise their living standards for their citizens. His view is that Ukrainian prestige will grow in the world; more people and states will wish to cooperate with Ukraine, and Ukraine will be altogether better off as a result.

Finally, Ukrainian President Leonid Kravchuk said that his view was that this step would help strengthen everyone's security and the security of Ukraine in particular, because it was precisely in the U.S. and Russian guarantees—their nuclear umbrella—that Ukraine saw its security. If we are friends with Ukraine [as heard] and Russia, nothing will threaten us.

Currently, as I am speaking, the Russian-American dialogue has been resumed—a plenary session of both delegations with all officials present is taking place in the Yekaterinskiy Hall in the Kremlin.

A whole package of U.S.-Russian documents will subsequently be signed, to be followed by a news conference, during which we will be given complete information.

Leaders Welcome Signing

LD1401093594 Moscow ITAR-TASS World Service in Russian 0743 GMT 14 Jan 94

[By ITAR-TASS correspondents]

[Excerpts] Moscow, 14 Jan—After the signing of the trilateral documents on the elimination of nuclear weapons on the territory of Ukraine, Boris Yeltsin, Bill Clinton, and Leonid Kravchuk replied to journalists' questions.

"We have not thought nor do we think that Ukraine ever posed any danger to Russia, but this is a historic day for the international community. The documents on Ukraine's elimination of nuclear weapons and adherence to the Nuclear Non-Proliferation Treaty, which the three Presidents signed, are another step in the nuclear disarmament of the world," Boris Yeltsin said, replying to a question by an ITAR-TASS correspondent. [passage omitted]

Leonid Kravchuk told journalists that starting today, "Ukraine's security has been substantially enhanced, because by signing these documents along with the Presidents of Russia and the United States it has obtained from each confirmation of its security."

Kravchuk Expresses 'Satisfaction'

LD1401122394 Moscow Radio Rossii Network in Russian 1100 GMT 14 Jan 94

[Text] Leonid Kravchuk today held a press conference.

[Begin Kravchuk recording] I express satisfaction with the meeting that took place today with Russian President Boris Yeltsin and U.S. President Bill Clinton. This really is a historic moment. It opens up a new page in the resolution of such a global problem as nuclear weapons. I am pleased to stress that having signed these trilateral documents Ukraine, together with other states, in the interests of the peoples of Ukraine and Russia and of the whole of mankind, is going along the path of nuclear disarmament and, I would say, is one of the first to take this historic step. [end recording]

Lobov on Nuclear-Free Neighbor State

LD1401090994 Moscow ITAR-TASS in English 0820 GMT 14 Jan 94

[By ITAR-TASS correspondents Ivan Ivanov and Genadiy Talalayev]

[Text] Moscow January 14 TASS—The agreements concluded between Presidents Boris Yeltsin, Bill Clinton and

Leonid Kravchuk on the withdrawal of nuclear warheads from Ukrainian territory "will tell most positively on the Russian national security", because Russia thereby gets a nuclear-free neighbour state, ITAR-TASS was told today at the Kremlin by Secretary of the Russian Security Council Oleg Lobov.

He confirmed that Russia and the United States "will give Ukraine the broadest possible guarantees of security as a nuclear-free power".

"The main thing is that Ukraine has confirmed its nuclear-free power status and has agreed to hand over its nuclear warheads to the Russian side," Lobov stressed, noting, that "Russia will have to pay compensation, of course, by delivering nuclear fuel to Ukrainian atomic power plants".

The secretary of the Russian Security Council described Ukraine's decision concerning nuclear weapons as "a very good step towards normalising relations with Russia", which must be developed on the basis of "partnership, trust, joint participation in the organisation of a European security system".

Asked whether Ukraine could again sharply raise the question of the Black Sea Navy after having relinquished its nuclear weapons to Russia, Lobov said: "I think the two problems should not be linked. The existing Black Sea Navy problem must be examined separately. I think that there should be no 'bargaining' over it".

Lobov admitted that Russia would have to make some financial spendings linked with the transfer of Ukrainian warheads to its territory and with deliveries of low-enriched uranium to Ukraine. Nevertheless, he noted that "Russia is getting in return highly enriched weapon Uranium and, in addition, it will no longer have to spend money on the servicing of warhead storages".

Vorontsov's Naming as Envoy to U.S. 'Virtually Decided'

PM1301171994 Moscow IZVESTIYA in Russian
14 Jan 94 First Edition p 3

[Konstantin Eggert report: "Name of New Russian Ambassador to United States Already Known"]

[Text] We have learned from informed diplomatic sources that the appointment of the new Russian ambassador in Washington has been virtually decided. The new ambassador will be 65-year-old Yuliy Vorontsov, currently Russia's permanent representative at the United Nations.

It is expected that the presidential edict confirming him in the position will be signed soon after Bill Clinton's Moscow visit ends. The candidate for the new head of mission at the United Nations has not yet been decided, but people on Smolensk Square are convinced that it will be a career diplomat. Andrey Kolosovskiy, who has been mentioned as the possible number two contender for the embassy, will not be going to New York, since he will soon be getting another assignment. The minister-counsellor

position will be taken by Vladimir Chkhikvishvili, deputy director of the Foreign Ministry's North America Department.

As is well known, another ambassadorial post—London—is also vacant. The conviction is being expressed in diplomatic circles that Britain should no longer be seen as a posting for honorable exile (L. Zamyatin, B. Pankin). "The posting to the British capital should go to a professional diplomat who is dynamic and self-confident," a well-informed Foreign Ministry source noted in this connection. "Candidates are being selected at the ministry."

But, as our contact put it, it is still very likely that London will go to a political appointee—perhaps somebody losing a ministerial portfolio.

Yeltsin Welcomes Contract With U.S. on Sale of Uranium

LD1401103494 Moscow ITAR-TASS in English 1018
GMT 14 Jan 94

[By ITAR-TASS correspondent Anna Bakina]

[Text] Moscow January 14 TASS—The Russo-American contract on the sale of enriched uranium was signed at the Russian Ministry of Atomic Power on Friday [14 January]. Russian President Yeltsin welcomed the agreement at a news conference in Moscow on the same day. "I am very satisfied that an agreement on uranium was signed", he said.

Under the contract to operate for 20 years, Russia plans to turn over to the United States 500 metric tonnes of weapon-grade uranium worth around 12 billion dollars. It will be extracted from 20 thousand units of nuclear ammunition during its elimination.

The uranium will be reprocessed to serve as fuel for nuclear power plants.

Russian Minister of Atomic Power Viktor Mikhaylov said on Friday that this agreement means a step to real nuclear disarmament. He said the contract was concluded under an intergovernmental agreement between Russia and the United States signed in February last.

The need for joint work with the United States in this area stems from the fact that the United States controls 50 per cent of the world market of uranium, while Russia's share in this market is only five to six per cent. "The contract will bring to Russia a source of foreign currency, while the industry of the U.S. can draw on Russian technologies", the minister believes.

There was a separate discussion during the preparation for the signing of the contract on the sharing of profits from the contract between Russia, Ukraine, Belarus and Kazakhstan. The minister said it is for experts to establish if there is profit from the elimination of tactical nuclear weapons. Vast funds are so far spent on the dismantling of nuclear weapons and utilisation of nuclear charges.

Experts believe the document signed on Friday has a commercial character in addition to political. William

Timbers, the head of the U.S. side at the signing, acting manager of the U.S. enrichment corporation, said it is the first time in history that disarmament can bring profit to states.

Minister Says Trade With U.S. 'Not Very Substantial'

LD1301190994 Moscow *ITAR-TASS in English* 1816 GMT 13 Jan 94

[By BUSINESS-TASS correspondent Irina Bolshakova: "U.S.-Russian Trade Relations Have Much Room for Improvement"—*ITAR-TASS headline*]

[Text] Moscow January 13 TASS—The U.S.-Russian trade turnover is not very substantial so far, according to Russian Minister for Foreign Economic Relations Oleg Davydov. The United States accounts for only about two per cent in Russia's foreign trade. Thus, the trade turnover with the U.S. totalled 2,426 mln dollars in the period from January-November 1993, including 1,007,200 thousand dollars in export and 1,418,800 thousand in import.

The structure of the bilateral trade turnover inherited by Russia from the former Soviet Union is based on raw materials, Davydov noted. The bulk of Russia's export to the United States is made up by precious metals and articles made of them, rare earth and non-ferrous metals, oil products, chemicals and agricultural produce. The U.S. import to Russia is largely represented by foodstuffs and agricultural produce (wheat, maize, oats, butter, soybeans), machinery, equipment and transport vehicles.

The Russian minister believes the legal and agreement framework for U.S.-Russian trade and economic relations set up in 1992-1993, the most-favoured-nation trade regime, the extension to Russia of the U.S. general system of preferences, as well as the new programmes for economic assistance to Russia create real preconditions for a greater volume and a broader range of U.S.- Russian trade.

However, despite of the recent progress in trade and economic relations between the two countries, they still bear the stamp of the Cold War, Davydov stressed. Thus, the development of U.S.-Russian trade is hampered by the Jackson-Vanick Amendment and Cocom lists, barriers on U.S. export of hi-tech products, tough quantitative restrictions on imports. Furthermore, the solution of some commercial and financial problems is linked with various political conditions and the progress of market reforms. Recently, the United States has considerably limited the possibilities of Russian uranium products and imposed an anti-dumping duty on ferrosilicium. According to the minister, anti-dumping investigation is likely to be launched with respect to Russian supplies of potassium chloride, aluminium and steel, which may undermine the positions of Russian exporters on the American market.

With all this in view, Davydov thinks it necessary to work out a mechanism of bilateral consultations to prevent possible conflicts over the trade regime. According to the minister, Russia should also press for lifting the existing non-tariff restrictions on Russian exports to the United

States and for using partnership relations with the U.S. to ensure Russia's full-fledged participation in GATT and the international export control system. Large-scale cooperation in the investment sphere is to promote U.S.- Russian trade and economic relations as well, the Russian minister pointed out.

Article Warns Against 'Illusions' in Trade With U.S.

PM1301134794 Moscow *ROSSIYSKIYE VESTI* in Russian 13 Jan 94 p 3

[Article by Dr. of Economic Sciences Anatoliy Aleksandrovich Porokhovskiy, deputy director of Russian Academy of Sciences United States and Canada Institute, under "Russia-United States: Dialogue About Partnership" rubric: "In Conditions of Sharp Competition"]

[Text] Two laws have been adopted while Bill Clinton has been in power—the so-called freedom support bill and the friendship with Russia bill. The first removed a number of problems and granted Russia most-favored-nation status in trade with the United States. The second virtually entirely removed all tariffs and duties on trade with Russia—which is considerably more than most favored nation terms.

It has to be admitted that the United States is doing everything to promote rapprochement with Russia. The Clinton administration has taken particularly significant steps in the sphere of attracting private U.S. business to Russia. The U.S. Department of Commerce has allocated special funds to open 17 U.S. business trade centers in Russia. The largest of these are already functioning in Moscow. The rest will be scattered throughout the territory.

It should be pointed out that, as one more step, the state has allocated more than \$2 billion to guarantee credits and investments by U.S. companies in the Russian economy. Along with the 17 important agreements signed earlier between the United States and Russia, which make it possible to avoid double taxation and create guarantees for state credits, all this ensures a favorable atmosphere for U.S. private business, which has virtually gotten a surety from its government.

America is motivated by not just political but also economic interests. In recent years the entire Western world has been experiencing a grave economic slump, and the United States itself has a big deficit in trade with certain countries, including Japan and China. This greatly affects the competitiveness of U.S. companies, which are feverishly seeking additional markets. The huge Russian market is of extraordinary interest to them. It is also a known fact that each additional \$1 billion in U.S. exports creates 20,000 new jobs. When approximately 7 percent of Americans are unemployed, this factor is also of by no means minor significance.

I would also point out another fact: In endeavoring to push forward onto the Russian market, America takes into account the fact of increased competition in the world

economy. Under conditions of the growing influence of the European Union and other international economic organizations in which the United States retains a significant role, Russia, which is on the Eurasian continent, is a very convenient base for strengthening the positions of U.S. private business in this region. Therefore it turns out that from an economic viewpoint America has an interest in ensuring that Russia is a reliable economic partner—only not a weak one but a reliable and strong one. This is pure economic reality.

At the same time America is concerned, above all, for its own economic security. It understands that the solution to internal U.S. problems lies outside its borders—in the world economy, where such an important partner as Russia has now emerged. At the same time most of the U.S. Administration's efforts are aimed at present at creating the infrastructure to strengthen business ties between the two countries. Private U.S. business is still somewhat cautious about developing them. Even so, U.S. companies are in first place in terms of the number of joint ventures in Russia. U.S. firms are also ahead of their competitors in terms of the number of offices in Russia.

These are the "pioneers" of U.S. business, who might develop business at any moment but are refraining at present, waiting to see how events develop in Russia in the future.

If we look at Russian reality from this viewpoint, we should acknowledge that things here are far from favorable at present. This is, of course, connected with the fact that the elimination of the foreign trade monopoly has brought out onto the world market a large number of new agents who do not coordinate their actions and who have their own quotas for sales of a particular product. Competition has arisen among Russian contracting parties proper in such important export sectors as oil, gas, mineral fertilizers, and a number of others where Russia could earn currency.

On the one hand, the elimination of the foreign trade monopoly is a positive phenomenon, but because of organizational mistakes, we have to a considerable extent obtained a negative result instead of a positive effect. On the whole, the country's currency revenues have proved not as substantial as was intended. A considerable part of the proceeds from trade ended up abroad, and our exporters were not interested in transferring money to the Russian economy. Only now, since the president signed the edict on currency-export controls, has the situation begun to change for the better.

I would particularly like to emphasize that we should not have any illusions about trade and economic ties between Russia and the United States. If U.S. companies do not gain at least some advantage, they will not come here. If the U.S. state does not gain at least some economic advantage, it will not invest in the Russian economy. It is pointless to hope that money will be spent just because Russia needs help. The market system can work on the basis of political priorities only thanks to budget funds, which in the United States are under the rigid control of Congress.

Account must also be taken of the fact that, whenever the United States allocates funds to support a particular country, it supports, above all, its own companies which will help this country. That is, up to 80 percent of the total sum will be realized through U.S. private business, and just 20 percent of the aid will directly reach projects on our country's territory.

U.S. Academics Examine Development Scenarios

PM1301150594 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 94 First Edition p 6

[Unattributed report: "What the Future Has in Store for Us.... U.S. Analysts on Russia's Future"]

[Text] A book entitled *Russia in the Year 2010 and What It Means for the World* has been published in the United States. THE NEW YORK TIMES reviewed the book and described it as the "methodology of informed forecasting," in which "the social, political, and economic forces operating in Russia are separated from the myths, then these forces are formed into various structures and unexpected changes made in them."

The book, which, according to THE NEW YORK TIMES, provides an "invaluable service" for anyone "trying to predict where Russia is going," was the by-product of research by its authors, Daniel Joergen and Professor Thane Gustafson of Georgetown University.

The book will disappoint people looking for an unequivocal answer to the question posed in the title, namely what Russia will be like in the year 2010. Instead the reader is offered four scenarios for the possible development of events. The so-called "miracle" scenario takes him to 17 May 2010 when, in the trade center built for the Moscow stock exchange, the head of a major Russian bank announces the purchase of the seventh largest U.S. bank. Thus symbolically summing up the successful implementation of market reforms.

The "Russian bear" scenario makes a diametrically opposite forecast: A military parade is under way in Moscow's Red Square to mark the eighth anniversary of a successful military coup. The Kremlin towers are adorned with two-headed eagles, slogans proclaim the glory of the supreme commander in chief and the valiant Russian Army.

According to the other two scenarios, Russia either gradually breaks up in the grip of political and economic paralysis or continues to vegetate under the leadership of an authoritarian group of officials, representatives of the military-industrial complex, state enterprise directors, and the Army command.

Strictly speaking, all these scenarios only summarize the very extensive range of predictions and hypotheses current in the United States.

The book's authors draw several conclusions which, in their opinion, will remain true however events develop. Thus they believe that, whatever happens, Russia will inevitably have increasingly close ties with the world

economy. They also predict that toward the year 2010 Russian agriculture will not under any circumstances be able to find its feet even if it passes entirely into private hands, since the countryside is too ravaged and lacking in manpower. The authors' main conclusion throws down a challenge to those who are banking on the West in the formation of the new Russia. They write confidently: "Ultimately Russia will of course write its own history by itself...."

U.S., Russian Truck Builders Close to Agreement

PM1301154194 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 94 First Edition p 3

[Unattributed report: "Not Rivals, but Partners"]

[Text] Powerful superheavy trucks, with which Russians are more familiar from foreign movies, will shortly appear on our national highways. There are plans to produce them at a joint enterprise in Moscow set up by ZiL and the U.S. firm Packard.

The agreements on starting this production are largely ready, your ITAR-TASS correspondent was told by ZiL First Deputy General Director Valeriy Saykin. "ZiL-Packard" is the proposed name of the powerful truck capable of carrying over 20 tonnes of freight. The vehicle plus the freight and trailer weighs over 40 tonnes altogether.

The first step toward this cooperation was the creation of the "Novotrak" joint enterprise, which sells diesel-engined ZiL trucks and ships some types of heavy truck from the United States; the second was the signing of the documents of association creating the "Novodizel" Joint Enterprise, which will manufacture more sophisticated fuel equipment for ZiL trucks. In the opinion of U.S. specialists, using this equipment will help make annual fuel savings of around \$200 million.

"In addition to joint production of heavy trucks," Valeriy Saykin concluded, "we intend to organize production of diesel engines in conjunction with the Caterpillar firm, first using foreign spare parts and subsequently switching to producing all the necessary components in Russia."

U.S. Attitudes to Space Station 'Hardly Unequivocal'

PM1301142194 Moscow ROSSIYSKIYE VESTI in Russian 13 Jan 94 p 3

[Vladimir Rogachev article under "Russia-United States: Dialogue About Partnership" rubric: "Common Home in Space"]

[Text] The question of Russian-U.S. cooperation in creating a joint space station is the focus of attention for specialists and experts in both countries. At the same time the attitude of various representatives of the U.S. side to Russia's participation in this project can hardly be called unequivocal. Viewpoints differ very greatly and cover virtually the entire range of opinions. Whereas NASA

Director Daniel Goldin maintains that neither the United States nor Russia can create such a station independently and that Russia's involvement enables the United States to save \$2 billion and to speed up the station's commissioning by two years, in the opinion of James Oberg, an expert on Soviet and Russian space programs, the United States' "ingenuous and too-rapid advance toward this starry union could sow seeds which will lead ultimately to disappointment and failure."

It must undoubtedly be admitted that the dominant viewpoint supports the development of Russian-U.S. cooperation in space orbits. As Senator Barbara Mikulski (Democrat from Maryland) declared, in particular, when appearing on a CBS-TV program, "without the support of the Russians and without a saving in money and time, efforts to create a space station will prove risky." "The Russians," she pointed out, "are valuable because they will share their tremendous experience in launching and docking—spheres in which they are superior." But at the same time she voiced the fear that "a Russian-U.S. joint space venture will result in some U.S. jobs being exported to Russia."

At the same time there is a view according to which the agreement on an orbital station has to a very significant degree resulted from political and certainly not scientific motives. Thus the WALL STREET JOURNAL maintained that "Washington's decision to conclude an agreement with the Russians to implement a project to create an orbital station is the basis of an ambitious and risky strategy aimed at consolidating Russia's orientation toward reforms after the U.S. and Western pattern by establishing ties with its military, scientific, and industrial elite." In the newspaper's opinion, the agreement represented "at the same time both a reward for Russia's aerospace industry for its agreement not to sell secret rocket technology to India and an opportunity for the United States to involve Russian scientists in efforts to further limit the spread of dangerous weapons."

Mindful of the December election results in Russia, the article's authors warn that "for President Clinton...the new strategy raises the stakes" and, given a certain combination of circumstances, "the United States could lose the orbital station, which has already cost the U.S. taxpayers \$10 billion." In the opinion of Nicholas Johnson, a specialist on the Russian space industry and a high-ranking staffer of the scientific department of the Keymen [name as transliterated] Sciences Corporation, which is involved in research and development at Colorado Springs (Colorado), "if we think about the worst option for the development of events and assume that in two or three years' time Russia will completely stop abiding by common sense, we will have to start all over again."

At the same time some members of the U.S. Congress are concerned about "the possibility of hidden expenditure, which will build up as the project is carried out—expenditure connected, for example, with the need to repair the Baykonur Cosmodrome in Kazakhstan, which is increasingly going to ruin."

In summing up this brief review of the U.S. side's views it may be worth dwelling on statements by James Oberg cited in THE WASHINGTON TIMES: "Benjamin Franklin once gave an excellent prescription for a successful marriage: 'Before the betrothal keep your eyes wide open, but afterward keep them half-closed.'"

Space Joint Venture To Earn \$600 Million in Contracts

MK1301121094 Moscow SEGODNYA in Russian
13 Jan 94 p 2

[Unattributed report: "Space Firms Cooperate To Keep a Launch Program Going Till the Year 2000"]

[Text] Anatoliy Kiselev, general director of the Khrunchev State Space Scientific-Production Center and member of the board of directors of the Russian-U.S. "Lockheed-Khrunchev-Energiya" joint venture, said that thanks to their cooperation "in the past 12 months we managed to sign nine commercial contracts for launching Western companies' satellites with the Russian "Proton" system. The total amount of the contracts exceeds \$600 million." According to the general director, the cooperation with the partners, who have taken over the marketing of Russia's most powerful rocket in service and also the licensing of Western firms' space vehicles, enabled the center "fully to book the program of space launches till the year 2000 and to look to the future with optimism."

Kozyrev Hails NATO's Partnership for Peace Proposal

LD1301102594 Moscow INTERFAX in English 1812 GMT 13 Jan 94

[Text] Russia sees the NATO-approved Partnership for Peace program as an important step forward and a serious test of the existing partnership between Russia, the U.S. and other NATO states, Foreign Minister Andrey Kozyrev told Interfax.

Speaking after a meeting with Acting Foreign Minister of Moldova Ion Botnaru, he said the expansion of NATO to include new members would be a simplistic solution. Kozyrev did not contest the right of other countries to join the alliance but "this could lead to the creation of new barriers in Europe if implemented."

In his words, Russia's voice was heeded by NATO, Eastern and Central Europe. This is a case illustrating that a short cut is not always optimal, leading nowhere and to wrong decisions, Kozyrev said. By contrast, he added, a longer road can lead to the right destination.

The minister said the Partnership for Peace proposal had been discussed by Yeltsin and Clinton on Thursday and that both of them were satisfied it implied partnership rather than membership.

Kozyrev spoke of having discussed the problem with U.S. Secretary of State Warren Christopher earlier in the day. "It is too early yet to say how the period of partnership will end," the minister said. "One option is to expand NATO

by accepting new members, including Russia, something we do not rule out," he said. Other options are also possible, he said, including the creation of broader security systems and the consolidation of the North Atlantic Cooperation Council. The minister called for efforts to be taken in parallel in all those directions but all of these must end up in greater stability and cooperation in Europe.

For his part, Botnaru spoke of seeing his talks with the Russian foreign minister as a step on the road to implementing the Partnership for Peace plan.

Proposes Partnership With West, NATO

AU1301211694 Bratislava PRAVDA in Slovak
11 Jan 94 pp 1,10

[Article by Foreign Minister Andrey Kozyrev: "Partnership for a United Democratic Europe"]

[Text] There is no shortage of—on the surface—effective "unidirectional" solutions to the problems of Europe's security. Two myths, which their supporters consider to be axioms of current European policy, lie at the heart of these recommendations. First, there is the theory that there is a "security vacuum" or "gray zone" in Central Europe, which will almost inevitably become the sphere of Russian expansion. Second, there is the theory that refers to "Russia's return to a nationalist, imperialist policy" as a result of the recent parliamentary elections.

Combining the two hypotheses leads to this conclusion: NATO must protect the countries of Central Europe from the inexorable pressure from the East.

Accepting the theory of a "security vacuum" means rejecting the very essence of the pan-European process expressed in the Paris Charter and the unity of the democratic nations of Europe. This would be the most major crack in the supporting pillars of European policy, which, despite apparently insurmountable difficulties, has brought about the reunification of Germany and led to the collapse of the 20th century's totalitarian monsters.

If I were to make a prediction about the worst case scenario—the restoration of Russian imperialism—it would not come from the invasion of the West by "Russian tanks," but from a repetition of the Yugoslav drama in the former USSR. The repercussions of this would be tens of millions of refugees and upheaval in the large industrial complexes, and the threat of tactical nuclear weapons deployment. What could NATO do in this situation to protect its eastern members? Several Chernobyls would be enough to finish off the whole of Europe—with interest. The "guard on the Bug" would be incapable of protecting anyone.

However, this worst case scenario could be provoked by the hasty expansion of NATO. This presents the extremists in Russia with a most convincing argument in favor of restoring the Russian empire, because "it is necessary to defend ourselves" against "pressure from the West." The strategy of the "worst case scenario" is dangerous, therefore, because it contains the detonator of a prophecy that may then fulfill itself.

The Russian Factor in European Security

Anxiety about a new "threat from the East" can be dispelled—first and foremost—by a partnership strategy with democratic Russia, which has embarked upon the policy of establishing a law-governed state and a market economy.

Russia's presidential foreign policy has already made evident its orientation toward implementing the country's nation-state interests by means of partnership and not by confrontation with the surrounding world. This orientation is enshrined in the democratic constitution. Russia does not have territorial claims against any state, including the countries of Central and Eastern Europe. Russia's new military doctrine orients its armed forces exclusively toward defending the country and its allies and toward peacekeeping operations in harmony with Russia's international commitments.

As far as the results of the parliamentary elections are concerned, I am convinced that there is no fertile ground for pro-fascist tendencies in Russia, because Russia placed more sacrifices than any other country on the altar of victory over fascism. The voters cast their ballots not in favor of a "march toward the West," but in favor of a "leap into warmer waters," that is, not for the violent restoration of the Soviet Union and the socialist camp. They voted against the ambitions and arrogance of some reformers, against their inability to explain the aims of reform to the people in simple, ordinary language, and against the shortcomings in social security for the population and in the struggle with crime. Russian democrats have already begun to draw unavoidable conclusions from the sobering lesson of the parliamentary elections. However, this will definitely not take the form of toying with right-wing extremism. We condemn any overt or covert form of extremism, aggressive nationalism, and fascism.

The West should now draw some conclusions from this and modify the tone and accent of its dialogue with Russia. The pedantic language in it is inappropriate. It is hard to associate partnership with the submission of proposals that we have to either adopt in full or reject completely, without the right to amend them to suit our interests.

Right now Russia needs to feel greater support from outside for the reform line. A precise and detailed strategy for cooperation between Russia and its democratic allies in the West has to be drawn up. We need new strategic concepts and the mechanisms to implement them, mechanisms that would emphatically express the current level of progress in our relations. And most important of all—it is essential to move forward on the promises Russia received in Tokyo at the meeting with the leading representatives of the seven most industrially advanced nations (G-7) toward multilateral cooperation, that is, to the fulfillment of these promises.

Partnership on Behalf of a United Europe

In designing the new European architecture, it is important to take into consideration the following criteria:

A balanced step-by-step approach toward transforming Europe's security. It is essential to eliminate "shock diplomacy" methods and the policy of *faits accomplis*. The Russian side favors broad consultations with all the countries involved.

The openness of regional organizations and institutions as a guarantee for their successful adaptation to the current European situation. Russia has no right to dictate who can and cannot join NATO. We have the right, however, to assume that the North Atlantic Alliance will take into consideration the specific features of the inevitable long-term transition period and—since we are talking about the longer-term perspective—that it will confirm the position contained in its documents declaring NATO to be an organization open to the entry of all democratic states in the Euro-Atlantic region. It is impossible to discount the possibility *a priori* that Russia will also apply for entry into NATO in the future. The primary task is to guarantee an effective and equal partnership during the period of mutual transformation and adaptation.

Providing guarantees for an equal standard of security for each European state. The creation of "first and second class security," "gray zones," "special spheres of influence," "isolated regions," and "cordons sanitaire" in Europe is unacceptable.

The preservation of the current principles for European security, which are based on treaties.

The removal of territorial claims within the framework of interstate relations in Europe.

The main aims of the strategy that we propose, for partnership in the political sphere in the area of security, are as follows:

First: Forging North Atlantic cooperation. Transforming the Conference on Security and Cooperation in Europe (CSCE) into a general regional political organization and the North Atlantic Cooperation Council (NACC) into an independent organization for military-political cooperation, but closely associated with the CSCE. It is necessary to orient them toward coordinating the efforts of NATO, the Western European Union, and the Commonwealth of Independent States in the spheres of improving international security and the peace-forming and sincere protection of ethnic rights and of linguistic and other minorities in Europe. I consider the acceptance of the declaration on resistance to aggressive nationalism during the CSCE conference in Rome to be a major step in this direction.

It is essential to understand NACC not an "anteroom" to NATO in accordance with the formula "NATO plus," but—as was intended at the time of its establishment—as an independent instrument for equal partnership among former adversaries in the interest of building a new Europe. The proposals to expand the NACC by including the European neutral states and to create a compact NACC secretariat are arousing great interest. It is necessary to orient the Council toward developing cooperation in the spheres of security, military planning, conversion, and peace missions.

Second: Creating a system of mutually interlinked security guarantees for the countries of Central and Eastern Europe. The more these states are interlinked, the stronger their relations will be. Perhaps it would be worthwhile to consider—for example—creating a kind of “safety net” on the basis of mutually supplementary agreements on security between Germany and Poland and Poland and Russia. Analogous agreements could also be proposed to the other states in the region.

Three: I welcome the proposals put forward by my German colleague, K. Kinkel, concerning the signing of an agreement on cooperation and consultations between NATO on the one hand and the countries of Central and Eastern Europe, Russia, and Ukraine on the other hand. The establishment of a communications channel between NATO and the CIS would also be a positive element.

Four: An improvement in the ability of the European states to actively participate in the peace process. At the moment, to be frank, the East and West have not found a solid response to the local conflicts in Yugoslavia and the former USSR. These problems are turning into major problems within the framework of European security. Our partners should give genuine support to the efforts of Russia, which is bearing the main burden of the peace process in the former USSR. The time has come to create a voluntary support fund for the peace process in the CIS. NACC could offer practical assistance (whether by providing finance or preparing staff).

Fifth: The non-proliferation of nuclear weapons in Europe. It is wrong to regard the Russian-Ukrainian dispute over strategic missiles as a matter or element of Soviet heritage. It involves preserving the regime of nuclear non-proliferation. The strategy for European partnership must contain strong incentives for adhering to the current nuclear non-proliferation treaty.

The economic aspect of partnership forms a special chapter. The gist of it is: During the transition from individual, chronically overdue programs to help incorporate Russia into the international division of labor on an equal and non-discriminatory basis, it is necessary to guarantee Russia access to European markets.

The dialogue on the strategy for partnership in Europe is progressing actively. I believe that the NATO summit, by means of its well considered and far-reaching decisions, will make a positive contribution to its development. Russia remains for the members of the North Atlantic Alliance a responsible partner interested in drawing up such a strategy.

Churkin Views Zhirinovskiy, NATO, Minorities

AU1201190994 Bratislava NARODNA OBRODA in Slovak 12 Jan 94 pp 1, 2

[Interview with Vitaliy Churkin, deputy minister of foreign affairs, by Blazej Panik in the High Tatra; date not given: “On Zhirinovskiy, Minorities, and NATO”]

[Text] Bratislava—Vitaliy Ivanovich Churkin is Russian deputy minister of foreign affairs (in charge of European affairs) and President Yeltsin’s special envoy for former Yugoslavia. He is a graduate of the State Institute of International Relations in Moscow. He spent five years in Switzerland within the framework of the Soviet-U.S. talks on limiting strategic offensive weapons (START II) and another five years at the embassy in Washington. This “flying Russian emissary” (he spent over 300 hours flying last year) was vacationing in the High Tatra these days together with his family. On this occasion, he granted an exclusive interview to our daily.

[Panik] A certain reorganization is currently taking place in your ministry and cadre changes are also being prepared. What are the causes?

[Churkin] Minister Andrey Kozyrev has been saying for some time—and quite justifiably, in my opinion—that it is necessary to devote more attention to the CIS, to our closest and immediate neighbors. The aim of the current structural reorganization of our office is, therefore, to orient our activity to the greatest possible degree toward these states. Whereas, until now, the Baltic states were the only former Soviet republics under the jurisdiction of the European Affairs Department, following the reorganization, this department will also be in charge of relations with Ukraine, Belarus, and Moldova. The CIS department will then only deal with multilateral relations within the framework of this Commonwealth. Four regional sections will be established within the European Affairs Department.

[Panik] According to the new Constitution, foreign policy is the president’s prerogative. Nonetheless, the question comes to mind what influence the new parliament will exert on it?

[Churkin] We would like to hope that our relations will be distinguished by a spirit of cooperation. Even regarding the old parliament, our ministry devoted considerable efforts to the search for constructive interaction with deputies. We were not too successful, however.

[Panik] Mr. Zhirinovskiy has been active on the official Russian political scene for only a few weeks, yet his statements have already alarmed many states, particularly Russia’s neighbors. On the other hand, they also cause unnecessary problems to your office, which will repeatedly be forced to react to his words. How do you intend to approach this problem?

[Churkin] It seems that, after the elections of 12 December, foreign countries, in particular, have been struck by some kind of a shock, which finds its expression in the attribution of great significance to Zhirinovskiy’s statements. One circumstance tends to be forgotten in all this—that Zhirinovskiy is far from being the president. Even if we take a realistic look at the composition of the new parliament, we see that his party does not even have a majority there. Russia’s Choice will, after all, be the strongest parliamentary group.

[Panik] Yet Zhirinovskiy's electoral success is impossible to ignore.

[Churkin] Certainly not. It is a fairly serious signal, one that should be taken into consideration by both Russian democrats and by foreign countries, that highly complex processes are taking place in Russia, that the continuing struggle for democracy is taking place under extremely complicated conditions. At the same time, however, I do not think that it is necessary to react from all sides and with an outcry to every statement Zhirinovskiy makes. For example, he spoke about some weapons. So what? What can he actually do? He is a man with a very peculiar and well-known manner of conduct. He is not averse to sensationalist statements; his main concern is to build up his popularity. If each of his statements triggers a minor storm the world over, it will only play into his cards, in my opinion. Therefore, I would suggest that the reactions be calm and prudent because, as I have already said, Zhirinovskiy is far from being the president and is not even a Russian politician who could influence certain decisions. Of course, should he raise some questions in parliament within the framework of constitutional procedures, we will respond to them. But we definitely do not intend to build our policy on some of his exotic statements.

[Panik] But try to imagine yourself in the position of other states. In Bulgaria, for example, he called for the removal of President Zhelev....

[Churkin] This is exactly one of those cases where any commentary is unnecessary. This man simply does not hesitate to resort to such scandalous statements for the sake of popularity. How can you elbow your way to the front pages of newspapers in the East European countries, for example? In his opinion, it is simple: You just have to go there and call for the removal of the president. I repeat, if we were to oversensitively react to each of his statements and call a meeting of the General Assembly or the UN Security Council every time, we would look absurd—if we get trapped by this quite simple political trick.

[Panik] Sometimes it seems as if Zhirinovskiy were specially "made to order" of certain, possibly quite specific, aims of Russian foreign policy, so that these can be covered by his strong, and in [the Russian] society rather popular, ideas. This is particularly alarming when we consider a phenomenon such as the growth of Russian nationalism. Is Moscow, planning to change in any way its policy regarding the protection of the rights of Russians in the so-called adjacent foreign countries [reference to former Soviet republics]?

[Churkin] No.

[Panik] Not even modify?

[Churkin] No. Another matter is that the December elections—and also the way in which Zhirinovskiy exploited the thesis about the position of Russians abroad—demonstrated that this problem really exists. Therefore, when we raised this issue on the premises of the CSCE, the Council of Europe, or the United Nations, it was no propaganda on our part, as some of our partners in the

Baltic countries have been trying to interpret this, but the pinpointing of actually existing sore spots that must be dealt with. The elections clearly showed this. This is one of those issues, from which, as I hope, correct conclusions will be drawn.

[Panik] This entire complex of questions is associated with the highly topical all-European subject of ethnic minority rights. Which view does Moscow endorse: Should uniform and universal standards of these rights be drafted within the framework of the entire European continent or should the so-called regional principle be applied?

[Churkin] This is a very delicate issue. Our main principle, which we are trying to observe, is not to cause any damage. When ethnic minorities are concerned, a small problem can easily grow into a big one. As a matter of principle, we are of the opinion that the idea of drafting a charter of ethnic minority rights is not bad and must be assessed. However, we are opposed to proceeding in these matters on the basis of the bulldozer principle, as it were.

[Panik] What does that mean?

[Churkin] I am thinking of the formulation of some rigid principles and the effort to force them upon everyone. It is generally true, and the example of Yugoslavia showed this quite drastically, that any coercion is a very dangerous thing with regarding the issue of ethnic minority rights. Apart from the aforementioned principle, we are guided by yet another one: In every specific instance, Russia's demands concerning the rights of Russian minorities in the countries in question must not exceed their demands—that is, the demands of these countries.

[Panik] What did you have in mind when you said that it is necessary to assess the idea of drafting a charter of minority rights?

[Churkin] Apparently, it will be necessary to formulate a set of certain universal rights. The question is how far-reaching and all-encompassing these universal rights should be. Would it be appropriate, for example, to treat as absolute the principle of federalization? I do not think so. In some instances, the creation of a federation can be the only way out of the situation, but in other instances this requirement can complicate the problem where it may not even exist, and where it could be resolved, for example, by the installation of road signs or street names in the language of the minority, as a supplement to signs in the state language. Hence, minority rights cannot be made fully universal. And there is yet another thing. I have the feeling that far from everything is stable in Europe in this regard and that not everyone understands that some demands that are being raised could be applied also against those who raise them, if one were to be consistent. Regarding Yugoslavia, for example, some countries are putting forward demands, which I am not at all sure they would be able to apply at home, once the Yugoslav conflict is settled. Therein lies a danger. Because when we resolve some problem at one place and lay down some criteria, an explosive mixture will come about when we try to apply the same criteria to other states. I assume that Europe is not interested in this. I repeat, certain general, universal

principles of minority rights are necessary but, at the same time, exceptional sensitivity is needed when tackling problems with regard to each specific situation.

[Panik] How would Moscow react if the real threat emerged in the south of Slovakia of the creation of territorial autonomy based on the ethnic principle?

[Churkin] I would not like to comment on such specific issues. As a matter of principle, however, I am of the opinion that the fewer surgical incisions every specific decision will entail, the better. In other words, the smaller the number of changes and adaptations that are necessary for people to feel as citizens with full rights, the better. It is necessary to proceed according to the principle of minimization [princip minimalnosti]. For example, it is superb when it is enough to install [bilingual] signs and inscriptions and people will say that precisely that is what they found lacking. If more needs to be done to satisfy people—for example, open more schools—even that is fine. Overall, however, many things need to be taken into consideration. There are politicians, for example, who deliberately stir up people's emotions to be able to score additional points with the help of these emotions in order to obtain some political post. A Georgian politician once spoke with one of our diplomats about the position of the Russian minority in Georgia. He said that Russians have no problems there, live the same lives as Georgians, and have absolutely equal rights. He also said, however, that if all of a sudden some extremist politician from among Russians in Georgia started asking for autonomy, a problem would immediately emerge, as well as another conflict. We must beware of this everywhere.

[Panik] Under what circumstances would Moscow not have any objections to the Visegrad Four countries joining NATO?

[Churkin] We all will enter together....

[Panik] Who "all"? The entire Europe?

[Churkin] No, why? The Visegrad group along with Russia. All together. Why not, as a matter of fact? Why?

[Panik] Is that your answer?

[Churkin] No, it is my spontaneous reaction, so to say.

[Panik] And your answer?

[Churkin] The problem is not in whether Moscow has or does not have objections. We have not objected to anything. But when this issue arose, we only came up with what I would rather call a plea: not to deal with this issue rashly, on a wave of emotions. This is because a whole number of issues is at stake that, in our firm conviction, have not been thought through yet—by anyone. Not by you, not by the North Atlantic Alliance, and not by us. Incidentally, I am absolutely sure that, even if he had not said a single word and had sat silently like a fish, neither the Visegrad Four nor anyone else would have been admitted into NATO now. Simply because the North Atlantic Alliance itself is not ready for that. It is not ready because of what I have mentioned: that not all the consequences of such a step have been calculated.

[Panik] What, in particular, do you have in mind?

[Churkin] In my opinion, it is necessary to keep several factors in mind. In present-day Europe it is impossible to gain additional security while at the same time harming the security of other states. So there has to be equal security. Second, how would the admission of, let us say, only some East European countries into NATO be accepted by the other states of the region (and I am not thinking of Russia right now)? For example, in the past few months, when this dispute was going on, I quite clearly felt a certain tension arising among the East European countries themselves. Because some of them were interested not so much in their own NATO membership but, rather, they feared that someone might be admitted without them being admitted. This is a negative factor, and then will the East European countries' entry into NATO at this time resolve the actually existing problems in this region? Or is it something that is rather more symbolic and that does not resolve these real problems and may even create additional ones? How will this be reflected in the very foundations of European security? One of its pillars and, in my opinion one of the most important ones is the Treaty on Conventional Forces in Europe. If four former Warsaw Pact member countries were now admitted into NATO, how would that be reflected in the treaty? I do not know....

[Panik] What do your experts say about that?

[Churkin] They also raise this question and draw attention to the fact that the treaty had been worked out in blocks, that is, it was based on the number of weapons of 16 NATO states and seven Warsaw Pact states deployed on the European continent. Certain ceilings were set. Then the Warsaw Pact broke up. Still, we are observing the treaty. Even the Soviet Union has broken up but, still, we are observing the treaty. But what if there will not be 16 states on one side, but 20 states? What are we going to do with that treaty then? This is an unclear and unanswered question. Or take another matter: I have had a number of conversations with representatives of East European states and, to be candid, I do not have the feeling that from the purely financial viewpoint they have a clear idea of what NATO membership would cost them. After all, this is not such a simple matter. NATO is, of course, a solid organization; the people there are solid. I do not see in them any evil spirits who are conspiring against someone. That is not the point. We ourselves are prepared and want to cooperate with them. But they are no philanthropists either; they are not going to engage in any charitable activities. Entry into NATO is, therefore, a serious matter, which would surely require considerable material contributions and expenditures. Therefore, having pondered the issue and racked our brains, and, understandably, keeping in mind the interests of Russia and our already complicated internal political situation, we said: It will be better to ponder the problems of European security for another while. In this context, it seems to us that the idea of "Partnership for Peace" is a good one.

[Panik] Evil tongues claim that it is more your idea than Washington's idea....

[Churkin] No. I think that it is the product of a dialogue, including our dialogue with the Americans. But in this case it would be immodest and incorrect if we tried to arrogate the authorship of this idea.

Shushkevich Comments on Talks With Yeltsin

LD1201211394 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 12 Jan 94

[Video report from Moscow by correspondent Natalya Chernyshova, including recording of interview remarks by Belarus leader Stanislav Shushkevich; from the "Novosti" newscast]

[Text] On the eve of the Russian-U.S. summit, Belarus leader Shushkevich arrived in Moscow for talks with Boris Yeltsin. According to him, he has brought a whole package of economic proposals, the purpose of which is the integration of the two republics' economies.

[Chernyshova] Serious economic issues were discussed. The market of our closest neighbor may be assessed as being in an even greater plight than that of Russia. The inflation rate has risen to more than 25 percent per month. The official rate of exchange is 4.5 coupons for a ruble. The difference between imports from and exports to Russia ranges from \$36 to 100 million. Enormous amounts of money are being spent on eliminating the consequences of the Chernobyl disaster.

Today, according to our correspondent, there was a wave of rallies throughout the republic staged by industrial trade unions. The main slogan called for halting the collapse of production.

Recently, both in political circles and in the mass media, there has been discussion of the desire of the two countries to sign agreements on setting up an economic alliance and ruble zone of a new type. These agreements will make it possible to remove the technical barriers which restrict cooperation in what is essentially a single people. At the same time, both the Belarus opposition press and some Russian observers think that such a decision will be detrimental to our countries. Belarus will turn out to be subject to Russia once again and will lose its sovereignty. Russia will be forced to provide additional food to its closest but poor relative.

Such suggestions were rejected by Stanislav Shushkevich who agreed to give us an interview after meeting Boris Yeltsin.

[Shushkevich] Where did all this talk come from about the confrontation, lack of understanding, and selling out of the interests of Belarus? Read our communique from today. We have tried to state in the most concise form that the Republic of Belarus and the Russian Federation are seeking ways of achieving an extensive, real rapprochement of the two peoples. They are seeking ways of expressing this drawing together in a legislative document so that people should not experience difficulties. We need to conclude a wide-ranging treaty on cooperation which takes into account the actual situation today.

For us the main issue in setting up a ruble zone is that the Russian ruble—if we set up the zone on the basis of the ruble—should have the same value both in Belarus and in Russia. If a variant like this can be found, then it must be done as soon as possible.

[Chernyshova] If an agreement like this is signed, then a new basis for the rapprochement of our peoples will be opened up. [Video shows shops, rally scenes in Belarus; Shushkevich with Yeltsin; Shushkevich being interviewed by Chernyshova]

Further on Talks

WS1301103194 Minsk Radio Minsk Network in Belarusian 0400 GMT 13 Jan 94

[Text] In the course of the meeting between Russian President Boris Yeltsin and Belarusian Supreme Soviet Chairman Stanislav Shushkevich in Moscow on 12 January, both sides conducted an in-depth analysis of the state of bilateral relations, placing emphasis on economic cooperation. The sides came to the conclusion that a new Belarusian-Russian treaty on friendship and cooperation is necessary, corresponding to these states' aspiration to build democracies with socially-oriented market economies and the special status of economic, political, and human relations that have developed between the two countries in the course of history. The sides exchanged opinions with regard to the upcoming visit of U.S. President Bill Clinton to Moscow and Minsk. It was pointed out that in the process of building economic relations with the United States it is necessary to proceed from programs of assistance to programs of promoting trade and investment, being primary prerequisites for the development and integration of CIS economies in the world economy.

Shuskevich Ends Visit

LD1201195994 Moscow ITAR-TASS in English 1922 GMT 12 Jan 94

[Text] Moscow January 12 TASS—Belarusian parliamentary speaker Stanislav Shushkevich left Moscow for Minsk on Wednesday upon completion of his one-day visit to Russia.

On Wednesday, Shushkevich had talks with Russian President Boris Yeltsin. Upon completion of the talks a joint communique was signed in which the sides expressed their common opinion that it is necessary to work out a new interstate Russo-Belarusian treaty on friendship and cooperation meeting the aspirations of both countries aimed at building democratic states with a socially-oriented market economy.

Yeltsin and Shushkevich exchanged opinions in connection with the expected visit by the U.S. President Bill Clinton to Moscow and Minsk.

Official Warns Against Haste in Belarus Monetary Union

LD14v1000294 Moscow INTERFAX in English 1959 GMT 13 Jan 94

[Text] The undue haste in unifying the monetary systems of Russia and Belarus caused by one-off political gains is fraught with negative implications for their economies, Russia's Deputy Finance Minister Andrey Kazmin said.

Contrary to widespread reports, he said, no agreement has so far been reached with Minsk on how to run the budget systems, at what rate to exchange Belarusian currency units into rubles and how to readjust the two countries' prices.

The main sticking point is prices and fuel prices in particular. President of the National Bank of Belarus Stanislav Bogdankevich told Interfax. He spoke of waiting until Moscow announced uniform prices if the money union agreement was implemented.

Kazmin says his ministry is insisting that currencies be stabilized and the gap in their purchasing power narrowed stage by stage as part of implementing the multi-lateral agreement on the new ruble zone. At present, 1 ruble fetches 4.51 Belarusian coupons at the money market in Minsk.

The Russian official also said that the movement towards bridging the gap between currency rates must pass through market mechanisms which will take some time to achieve.

On financing Belarus' budget deficit, Kazmin called for forming a consolidated joint budget and establishing a special order to grant credits to Minsk to cover its budget deficit. However, Minsk opposes this on the grounds it is an encroachment on its sovereignty, preferring the deficit to be qualified as the country's internal debt instead.

The ministry doubts that a final agreement on unifying the monetary systems could be signed later this month despite an earlier announcement. Kazmin says the Russian ministry wants an early but justifiable rapprochement of the two monetary systems and is now considering new proposals from Minsk.

'Text' of Declaration Creating Monetary Union

WS1301145794 Minsk ZVYAZDA in Belarusian 11 Jan 94 p 1

[“Text” of declaration signed by Belarusian Prime Minister Vyacheslav Kebich and Prime Minister Viktor Chernomyrdin in Moscow on 5 January: “On Planned Unification of Belarusian and Russian Monetary Systems”]

[Text] The Belarusian and Russian Governments' leaders confirm their adherence to the goals and principles accompanying the creation of the CIS. Consistently advocating the creation of a common economic zone, the governments believe that the implementation of agreements reached within the framework of the CIS—providing for the strengthening of direct ties between economic entities on

the basis of the free movement of goods, services, capital, and labor as well as coordinated financial, monetary-credit, price, convertible currency, and customs policies—can be accelerated by expanding bilateral cooperation.

The Republic of Belarus and the Russian Federation have similar economic systems, common borders, and historically similar national fates. Reflecting the drive for economic integration voiced by the citizens of their states, the governments have taken a number of measures aimed at further expanding this cooperation without damaging national sovereignty.

The implementation of the agreement on unifying the monetary systems of the Republic of Belarus and the Russian Federation will become the decisive factor for strengthening economic ties between Belarus and Russia. The agreement stipulates conducting coordinated monetary-credit, budget, convertible currency, taxation, and social policies, as well as the creation of a common customs zone with a common system of prices.

The leaders of the Russian Federation and the Republic of Belarus point out that coordinated measures were carried out between September and December 1993, in accordance with the agreement on the unification of the monetary systems, and it was concluded that these systems have been brought to a high state of readiness.

The leaders of the Russian Federation and the Republic of Belarus declare that preparations for the final unification of the monetary systems has been completed.

The governments have charged appropriate ministries and departments with drafting agreements determining the mechanism for the functioning of the Belarusian monetary system after the unification of the systems, as well as a common mechanism for managing the budgets of the two states and documents determining foreign economic, trade, and customs policies. Technical aspects necessary for the functioning of the unified system should also be discussed, so as to sign the documents on forming a bilateral economic union within the framework of the CIS in Minsk in January 1994.

The Governments of the Republic of Belarus and the Russian Federation believe that the unification of the two states' monetary systems will serve the cause of safeguarding the two nations' economic progress and improving mechanisms for cooperation within the framework of the CIS.

[Signed] V. Chernomyrdin
V. Kebich

[Dated] Moscow, 5 January 1994

Kozyrev, Moldova's Butnaru Discuss Relations

LD1301175194 Moscow ITAR-TASS World Service in Russian 1550 GMT 13 Jan 94

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 13 Jan—A wide spectrum of questions concerning bilateral Russian-Moldovan relations and Russia's contribution toward the settlement of the Dniester problem were at the center of discussion at a meeting between Russian Foreign Minister Andrey Kozyrev and Moldova Acting Foreign Minister Ion Butnaru, which has just ended at the Russian Foreign Ministry. "This is a very complex process and it is most important for us to convince both sides—the Government of Moldova and the Dniester leaders—that they should seek ways of reaching a political agreement, a political solution", the Russian foreign minister told journalists after the meeting. He described the talks as useful and constructive, held "in a professional, businesslike manner." In their general conversation the ministers discussed, in particular, the situation with and status of the 14th Army as well as the progress of talks between the two sides and relations between their leaders.

In response to a question from the ITAR-TASS correspondent, Andrey Kozyrev said the Dniester problem will apparently be examined during the present Russo-American summit in Moscow. "We are conducting a dialogue with the United States and with other states because the region is one of the conflict zones under discussion in the CSCE and the United Nations," the minister noted. "We are trying at all bilateral meetings to bring in a wider circle of states to assist our efforts to settle this kind of problem."

"Of course, no one is going to supplant domestic dialogue; this is first and foremost an internal matter for Moldova as an integral state to find a 'modus vivendi' to resolve the issues. Here we can only assist, but Russia, for obvious reasons, plays perhaps a special and perfectly defined role here in helping to find a settlement." At the same time, the Russian minister called for other states to participate "as positively as possible" in this process, because the overall problem is an armed conflict—which it has been—in the heart of Europe and cannot fail to worry other countries.

In the opinion of Ion Butnaru, essentially all the main issues concerning relations between Moldova and Russia were discussed. These talks were "one specific step in implementing the understandings reached at the last meeting between the two countries' presidents." The exchange of views, he believes, was useful, particularly in that it helped to dispel all doubts about the future of Moldovan-Russian ties. At the same time, the Moldovan minister favors involving other "European structures" in assisting the efforts being made on a bilateral and multi-lateral basis.

Finance Ministry Denies Tajikistan Joining Ruble Zone

LD1401184194 Moscow INTERFAX in English 1453 GMT 14 Jan 94

[Text] Russia's Finance Ministry declared that messages published by the mass media stating that Tajikistan is entering "the ruble zone" are invalid, deputy Finance Minister Andrey Kazmin reported to Interfax.

Kazmin explained that in accordance with the interstate agreement concluded last November, the Central Bank of Russia has granted a cash credit to Tajikistan totalling 120 Bn rubles due to the difficult political and economic situation in the country. "This does not mean that the republic has actually entered 'the ruble zone,'" underlined Kazmin.

In his words, the interstate credit has been granted for half a year under the pledge of gold-currency reserves and real estate. The first part of this credit, 30 Bn rubles, was already delivered to Tajikistan in early January, 1994.

Kazmin reported that the issue on Tajikistan's entering "the ruble zone" is in the stage of development and it is premature to speak about unification of monetary systems.

Tajikistan has already declared its readiness to accept Russia's conditions providing for gradual entering into "the ruble zone of a new type" and intends to use this credit to exchange "old" Russian rubles for "new" ones.

Government Approves Draft Accord With Latvia on Travel

LD1301092094 Moscow Radio Rossii Network in Russian 0800 GMT 13 Jan 94

[Text] ITAR-TASS reports that the Russian Government has approved a draft agreement with the Latvian Government on reciprocal visits by citizens. The document regulates the procedure for entry, exit, transit, and for the citizens of one state staying on the territory of the other using visas and documents recognized by both states as valid for foreign trips.

The head of the Russian delegation at the talks with Latvia, which, as is known, began in Riga on Tuesday, is instructed to sign the agreement on behalf of the Russian Government.

Riga Incident Causes 'Bitter Resentment'

PM1301130994 Moscow KRASNAYA ZVEZDA in Russian 13 Jan 94 p 3

[Vladimir Gavrilenko commentary under "Postskriptum: Events and Commentaries" rubric: "I Would Like To Add the Final Period to the Story of the Arrest of Two Russian Generals in the Latvian Capital"]

[Text] ...But at the moment I have to make do with ellipses. The latest glaring incident is merely the most significant episode in a sequence of acts of provocations by Latvian nationalists against the Russian army.

Latvia's statesmen, embarrassed by this difficult situation, did everything they could: They immediately named the culprits and apologized to the Russian side. Outwardly everything seems to have been done respectably, promptly, and sincerely. It is just that I cannot avoid the banal question: Where were these people looking before? The Zemessargi (home defense guard), emboldened by impunity, have for a long time now quite literally been refusing to let Russian officers and soldiers pass: They threaten

them with weapons and insult them. You get the impression that the sole reason for the Latvian military's existence is to bug the Russians. And this comes at a time when talks are going on, when the date for the withdrawal of the troops has been agreed in practice, and when problems of the states' normal mutual relations are becoming of paramount importance. So did they in the past have to connive with the actions of these tin soldiers from the home guard only subsequently to lower their eyes and admit that these people have harmed Latvia's interests?

But the harm is clear because the timing of the provocation was chosen deliberately: the Russian-Latvian talks, the NATO summit, the U.S. President's visit to Russia.... In fact it worked out badly. Badly because Latvia is not a ship and cannot sail away from Russia's borders waving goodbye from the deck to the people of neighboring Pskov, who include assault forces among their number. And these are not the "Zemessargi" who chose as the object of their "heroic" endeavors the hotel and sports complex of the Northwestern Group of Forces.

Well, it seems that we can consider the incident closed. The reassuring words of the Latvian premier that the government will do everything in its power to mitigate the consequences of the occurrence are encouraging. But they do not lift from the heart the bitter resentment at the fact that the dignity of the Russian soldier has been impugned once again.

Seen Aimed at Promoting NATO Entry

MK140115094 Moscow *SEGODNYA* in Russian
14 Jan 94 p 3

[Unattributed INTERFAX report in the "Provocation" column: "There Was No Threat of Invasion of Latvia, Says Russian Federation Deputy Foreign Minister Sergey Krylov"]

[Text] The danger of Russian Armed Forces' invading Latvia following the arrest of two Russian generals has been ruled out. This was announced by Russian Deputy Foreign Minister Sergey Krylov in an interview with INTERFAX.

He noted that the Russian troops stationed in Latvia and put on high alert following the incident did not leave their base area and did not undertake any aggressive actions.

According to Sergey Krylov, this gross and unprecedented action was possibly aimed to provoke Russia into taking retaliatory measures. It is regrettable that it took place at the time of the Russian-Latvian talks in Riga, when progress had just emerged on the key aspects of the issue of Russian troop pullout.

The diplomat stressed that Russia is not intent on tough confrontation and is not interested in seeing the talks disrupted. He also noted that the incident in Riga coincided with the NATO summit in Brussels. "It is not ruled out that Russia's sharp retaliatory moves could have become a weighty argument for Latvia in favor of the earliest possible accession to the North Atlantic alliance."

The deputy minister suggested that this was precisely the design by the action's organizers.

Russia Willing To Protect Azerbaijan's 'External Borders'

PM1401164994 Moscow *ROSSIYSKAYA GAZETA* in Russian
15 Jan 94 First Edition p 6

[Own Correspondent Arif Useynov report: "Neighboring Countries: Will They Agree?"]

[Text] Baku—Azerbaijan's opposition parties have reacted cautiously to a visit to Baku by Andrey Nikolayev, commander in chief of Russia's Border Troops and leader of the Federal Border Service. Newspapers abounded with headlines like the following: "Russia Is Trying to Return Border Troops to Azerbaijan." At the "Musavat" party headquarters the visit was evaluated as a demonstration of "a new form of Russian expansionism," bearing in mind that the northern neighbor has not repudiated the idea of stationing Russian troops in Azerbaijan and switching the protection of the republic's external borders to their jurisdiction.

During a meeting with President Geydar Aliyev the Russian Federation Border Troops commander in chief clarified the aim of his visit: "The Armenia-Azerbaijan border is a matter for the politicians of these two states. It is the question of protecting Azerbaijan's external borders which interests Russia."

In a situation where the republic's southwestern regions are occupied and the Armenia-Azerbaijan border is to all intents and purposes non-existent there, while 170 km of the Iran-Azerbaijan border is under the control of Armenian armed formations, the proposal for Russia and Azerbaijan to collaborate in protecting the external borders, according to the head of state's reaction, has not been perceived in a positive light. AYNA writes that it is obviously pertinent to take account of the actual state of play in the Armenia-Azerbaijan conflict and the situation on the fronts. In this connection Geydar Aliyev noted that Azerbaijan's border has in point of fact become an arena for military operations.

According to commentators, the question of collaboration between the two states is directly linked with resolving the Karabakh conflict under rigorous compliance with international norms—the guarantee of territorial integrity and the immutability of republic borders. Nowadays Azerbaijan is also concentrating on this in trying to alter the course and nature of the Karabakh war. To all appearances it was this interpretation of the approach to proposals from the Russian Federal Border Service that led to the decision to continue the talks.

On this subject Andrey Nikolayevich gave a clarification: For talks to continue, the forms and methods of cooperation between the two states will have to be defined. To a question on the possibility of stationing Russian troops on the Iran-Azerbaijan border, the Russian Border Troops commander in chief gave an evasive reply: "It all depends on what both sides agree."

On the eve of the visit Gasan Gasanov, leader of Azerbaijan's foreign policy department, discussed the aforementioned questions with the higher political leadership of Iran and Turkey. The Azerbaijan Foreign Ministry Press Center announced that agreement has already been reached between Turkey and Azerbaijan on transforming the border treaty between Turkey and the former USSR into a treaty between Turkey and Azerbaijan. Working commissions have been set up to study the question. Among other things, the two sides arrived at an agreement that efforts to alter the borders of the Nakhichevan Autonomous Republic and Azerbaijan by force will in general be evaluated by them as a breach of the Kars Treaty, and in that event Turkey will not remain a detached onlooker.

Peacemaking in Karabakh Conflict Intensified

MK1301135094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jan 94 p 3

[Report by Aydyn Mekhtiyev in the "Diplomacy" column: "Kazimirov Ends Visit to Baku. Russia Intends To Enlist the Support of All Parties to the Karabakh Conflict"]

[Text] On 12 January, Ambassador at Large Vladimir Kazimirov, the Russian Federation president's special envoy, ended his two-day talks in Baku; he discussed with the Azerbaijan leadership the situation in the Armenian-Azerbaijan conflict area and the prospects for continuing Moscow's mediation efforts. The republic's presidential press service said that the meeting between the Russian diplomat and President Geydar Aliyev was held behind closed doors. It is noteworthy that in the run-up to the visit to Baku, Kazimirov went to Tehran where he sought to enlist the support of President Hashemi-Rafsanjani over the issue of Russia's peacemaking mission in the region.

At the same time, no attempts are forthcoming from Moscow to coordinate its steps in resolving the Karabakh crisis with Ankara. This suggests that the Russian Federation leadership is aware of Iran's growing role in the region. Characteristically, at present Armenia, Azerbaijan, and Russia are seeking close cooperation with Tehran. Yerevan has not abandoned hope that the Armenian-Azerbaijan talks on the construction of a gas pipeline, which have been going on for more than one year now, will be concluded by this spring with the signing of a protocol whereby the Iranian side will begin deliveries of natural gas to Armenia.

On the other hand, the administration of President Geydar Aliyev warns Tehran against such a step because after resolving its energy problems, Armenia may intensify its military pressure on Azerbaijan. Baku avoids any rash moves that could complicate its relations with Tehran. This apparently accounts for Aliyev's refusal to approve the proposal by the Russia border troops command on stationing Russian border guards on the border with Iran. Azerbaijan Foreign Minister Gasan Gasanov, who visited Tehran, assured the Iranian leadership that Azerbaijan is opposed to the construction of an "iron curtain" on the border with Iran. The absence of a common border

between Azerbaijan and the Nakhichevan autonomous area also makes the republic dependent on Iran. In a recent offensive by the Azerbaijan Army in the south the strategic and transportation center of Goradiz was captured, and now it has again become possible to use Iranian territory to ship major cargoes from Azerbaijan to Nakhichevan.

Russia's interest in cooperation with Iran on the issue of peacemaking efforts in the Transcaucasus is most likely linked with its aspiration to prevent a possible intervention by Tehran in the Armenian-Azerbaijan conflict and thus to prevent that war's internationalization. It cannot be ruled out that Kazimirov has sought to obtain clarifications from the Iranian side as to whether the Afghan mujahidin have really been recently transferred across Iranian territory to Azerbaijan. Baku, as is known, categorically denies this information.

The severe fighting that is going on today between Armenian and Azerbaijan formations occurs mostly in direct proximity to the Iranian border. The Azerbaijan Defense Ministry has announced that approximately 40 km of the Azerbaijan-Iran border has been won back from the Armenian side. The Armenian side therefore now controls some 120 km of territory.

The Azerbaijan side so far refrains from continuing offensive operations, but reports from military sources leave no doubt that in the next few days an attempt will be made to liberate the districts of Dzhebrail, Agdam, Fizuli, and Kelbadzhar, occupied by Armenia. Geydar Aliyev has entrusted the preparation of this operation to Lieutenant Colonel Mikhail Bayramov, who has been appointed the defense minister's aide on combat operations. So far, according to the same sources, the Armenian Defense Ministry is hastily moving additional forces to the area to create a second defense echelon.

Shumeyko: 'No Question' of Handing Over Kurils

LD1301152894 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] The speaker of the Russian Federation Council Vladimir Shumeyko has said that he backs Prime Minister Viktor Chernomyrdin in terms of the disputed Northern Territories. He believes that the islands of Kunashir, Iturup, Shikotan and Habomai, claimed by Japan, "belong to Russia and there is no question of handing them over now."

Shumeyko was giving his first news conference as Speaker of the Upper House of the Russian Federal Assembly.

Shumeyko said that the prime minister's view was shared by the other Cabinet members.

At the same time Shumeyko admitted that this view was different somewhat from the official one.

Meeting on Japanese Peace Treaty To Occur in Feb

LD1301175994 Moscow ITAR-TASS in English 1613
GMT 13 Jan 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow January 13 TASS—The joint working group for concluding a peace agreement between Russia and Japan, within the framework of which talks are being conducted over the disputed Kuril Islands, is expected to meet in the second half of February, a high-ranking official of the Russian Foreign Ministry told TASS on Thursday.

He denied the reports by the foreign mass media alleging that Russia had applied to Japan with a request to postpone indefinitely the meeting of the Russo-Japanese working group earlier scheduled for late January. At present, the Russian diplomat noted, officials of the Russian and Japanese foreign ministries are agreeing upon the concrete date of the meeting.

Japan Says Date Not Fixed

LD1301200294 Moscow ITAR-TASS in English 1733
GMT 13 Jan 94

[Text] Tokyo January 13 ITAR-TASS—One should not speak about any delay of the meeting of the Russian-Japanese working group drafting a peace treaty between the two countries, as the date for it has not been set, an official of the Japanese Foreign Ministry's Russian department told ITAR-TASS on Thursday [13 January].

The official reminded that, during Russian President Yeltsin's visit to Japan last October, the two states expressed the wish to hold the meeting soon after the elections to the new Russian parliament. The mass media believed it meant that the date for the meeting was officially fixed for late in January. But in point of fact it was only an approximate date.

Japan's viewpoint remains unchanged. It seeks to hold this year's first round of the talks as soon as possible. However it takes into account the difficulty of Russia's domestic situation, the workload the Russian Government is faced with because of the beginning of the parliament's work, the Japanese Foreign Ministry's official said. The official refused to express some supposition when the Russian-Japanese working group's meeting may be held.

Kurils Officials on Relations With Japan

LD1301144494 Moscow ITAR-TASS World Service in Russian 0607 GMT 13 Jan 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo, 13 Jan—"The Kurils do not need Japanese humanitarian aid in the form it is now being offered, especially as we have not asked for it, because we believe that it is degrading for Russian people to turn to Japan for help," said Nikolay Pokidin, head of administration of the South Kurils region, in an interview with an ITAR-TASS

correspondent. He is currently in Japan to attend Russian-Japanese consultations on the question of visa-free exchange between the inhabitants of the Kurils and Japan.

Nikolay Pokidin noted that within the framework of Japanese humanitarian aid, the goods reaching the South Kurils are mainly those which the region does not need. "For example," he went on, "we were recently sent a consignment of television sets and tape recorders that one would hardly describe as an urgent necessity. At the same time, we cannot get hold of medical supplies and medical equipment for which we have an acute need. If Japan herself has declared a desire to assist us she should listen to our wishes so as not to waste her money." According to Nikolay Pokidin, over the past year the South Kurils and Kurils regions have been granted Japanese aid totalling 1.5 million dollars.

Meanwhile, Gennadiy Dolin, the head of administration of the Kurils region, noted in an interview to an ITAR-TASS correspondent, well-organized Japanese assistance may help to solve the many complex problems that exist. Last year, for example, within the framework of humanitarian aid, Japan delivered a major consignment of medical supplies for the Kurils regional hospital, thus rendering invaluable help to the local people. "However, we are interested not so much in humanitarian aid as in long-term economic cooperation which so far, unfortunately, Japan has refrained from doing," Gennadiy Dolin pointed out.

Both local administration chiefs described the economic situation on the Kurils as critical. In their words, the Russian Government only says it cares about this part of Russia which is remote from Moscow, and is not doing anything practical at all. Workers at a number of local enterprises have not received their salaries for several months now, the local authorities' budget is falling apart, and there are insufficient funds even to ensure that transport functions normally and that basic social needs are met. In addition, the crime situation is deteriorating rapidly on the Kurils—the number of robberies and thefts is rising and shots ring out, fired by "fighters" from opposing groups of the "car Mafia."

In these circumstances more and more people are leaving the islands. In the past year the population of the "Northern Territories," as the Japanese call the South Kurils, has fallen by around 1,500 people. "This spring we are expecting another surge in the flow of people away from the islands. Many families have already sold their homes and got ready to leave for the mainland once the navigation season starts," Gennadiy Dolin said.

Nikolay Pokidin noted bitterly that the grave economic situation was making the view that the South Kurils should be handed over to Japan increasingly widespread among the local population. The head of administration of the South Kurils area expressed the view that in the foreseeable future the South Kurils would not be handed over to Japan. "There is no Russian politician who would take such a step," he said.

Japan Announces Upcoming Talks on Environment*LD1301215594 Moscow ITAR-TASS in English 1647 GMT 13 Jan 94*

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo January 13 TASS—The first Russo-Japanese consultations on the problem of the two countries' cooperation in the field of environmental protection are due to be held in Tokyo on January 26-27, an official representative of the Japanese Government told journalists today.

At the consultations both sides plan to discuss such issues as the prevention by joint efforts of dumping liquid nuclear waste in seas of the world ocean by Russia, cooperation in the struggle against pollution of air space, and in ecological protection of tracts of forests in Siberia which have essential influence of the planet's climate.

The consultations are called upon to become the first step towards working out concrete programs of cooperation between Russia and Japan in the sphere of environmental protection.

The forthcoming talks will be held for the first time since April 1991 when Japan and the former Soviet Union concluded an agreement on bilateral cooperation in the field of environmental protection.

One of the major results of this cooperation is that Russia will stop dumping nuclear waste in the Sea of Japan, according to an official from the ecology department of the Russia Defense Ministry.

So far Russia has had two tankers being used to store liquid nuclear waste which are now full to the capacity. Japan is reported to have offered its storage tanker to save the situation.

Japan shows a particular interest in the settlement of this problem because Russia allegedly dumped 900 tons of liquid nuclear waste in the Sea of Japan in October 1993. This aroused a storm of protests in Japan which is making great efforts to protect environment. At that time Russia explained the incident by the absence of storage space for nuclear waste and financial difficulties.

Submarines To Be Sold to North Korea as Scrap*LD1301192794 Moscow ITAR-TASS in English 1748 GMT 13 Jan 94*

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow January 13 TASS—There is no secrecy about the transaction for the sale of Russian submarines with completed service life to North Korea. Indeed, such a contract was signed in full compliance with the existing rules and agreed with the Russian State Committee for Property.

A Japan firm will be engaged in dismantling Russian submarines, and they will be delivered to the buyer in a condition fit only for metal scrap, informed sources from the Russian Navy told ITAR-TASS today.

Thus, there are no grounds for the allegations that Russian submarines after necessary repairs can be put into service by subdivisions of the North Korean Navy.

Goodwill Gathering Held at DPRK Embassy in Moscow*SK1401055194 Moscow Radio Moscow in Korean 1000 GMT 13 Jan 94*

[Text] A goodwill gathering was held at the DPRK Embassy in Moscow on 12 January. Members of the Central Committee of the Russia-DPRK Friendship Association, Korean diplomats, and reporters were present at the gathering.

(Polshchekov), chairman of the Russian Association of Veterans of the Korean Liberation War, summed up the association's work for last year and explained the schedule of main events for 1994. A work plan for the association was approved.

The Russian Cultural Association for Friendship With the DPRK is a self-supporting social coalition established on the basis of the Russian people's voluntary intention for humanism, democracy, progress, and friendship and cultural cooperation with the DPRK. The association receives no outside financial assistance and faithful friends of the DPRK and enthusiasts support it.

The DPRK ambassador extraordinary and plenipotentiary to Russia spoke at the gathering. He mentioned the decisions made in the 21st plenary session of the Sixth Central Committee of the Workers Party of Korea and introduced important parts of President Kim Il-song's New Year's address.

The participants at the gathering adopted a statement supporting the DPRK people's effort to achieve reunification of their fatherland in accordance with the DPRK's peace-loving policy and in order to establish the democratic confederal Republic of Koryo.

Ethnic Koreans Demand 10 Million Yen Compensation*LD1301143694 Moscow ITAR-TASS in English 1307 GMT 13 Jan 94*

[By ITAR-TASS correspondent Yevgeniy Belovistkiy]

[Text] Yuzhno-Sakhalinsk January 13 TASS—The administration of the Island of Sakhalin in the Russian Far East where some 40,000 ethnic Koreans live will not impede them from leaving for their historic motherland, according to Deputy Governor of the island Viktor Gurevich.

However, he told a press conference on Thursday that this would be a great intellectual and labour loss for Sakhalin and Kuril Islands.

The Korean diaspora on Sakhalin consists mostly of those who were deported to the island by the Japanese before and during World War Two, as well as from their ancestors.

The press conference was devoted to the work of a trilateral Russian-Japanese-South Korean Commission which studied the problems faced by Koreans in Sakhalin.

The Korean diaspora demands a compensation of 10 million yen for each Korean, dual Russian-Korean citizenship and free private housing in Korea.

However, foreign diplomats told reporters that the demands would [word indistinct] hardly met.

10 million yen is too big a sum and dual citizenship is problematic in South Korea, they said.

Russia Reportedly Has No Plans To Abandon Moratorium

PM1301114194 Moscow KRSNAYA ZVEZDA in Russian 13 Jan 94 p 4

[Unattributed reply to reader's letter under the "Briefing for the Readers" rubric: "The 1,641th Underground Hiroshima"]

[Text] Will China's recent underground nuclear explosion not encourage Russia and the United States to carry out new nuclear tests?

[Signed] S. Boychenko, Lipetsk

The underground test in the PRC of a nuclear explosive device with a yield of 80-90 kilotonnes carried out 5 October last year has indeed complicated the situation. So far the leading nuclear powers have abided by their voluntary unilateral commitments to refrain from such actions ideally until the signing in 1996 of an agreement on a complete ban on underground nuclear explosions. Tests in the atmosphere, in space, and under water were banned earlier by the international treaty of 1963.

However, the members of the "nuclear club" decided not to follow China's example and will continue to observe the moratorium on underground explosions although both Russia and the United States proclaimed a little over four months ago their readiness not to hold such tests only so long as the other great powers refrained from them. So far only the leadership of France has expressed the theoretical possibility of staging a series of tests in the period up to 1996.

As of now the nuclear powers have officially given notice of 2,166 nuclear test explosions (954 by the United States, 936 by the USSR, 192 by France, 44 by Britain, 39 by China, and one by India). Of that number the 1,641th nuclear device has now been detonated underground at the test sites shown on the attached map. [Note: A map accompanies the article showing test sites at Nevada, Mururoa, Novaya Zemlya, Semipalatinsk, Lopnor, and the Tar desert]

As far as is known, neither Russia nor Britain intends to detonate even those test charges that they have stored in underground galleries: In Russia's case at the test site in Semipalatinsk, in Britain's at the U.S. site in Nevada. So let us hope that 1994 becomes nuclear-free at least on the territory of the main nuclear countries.

Cossacks Receive Mission From Serbian Krajina

MK1301142094 Moscow SEGODNYA in Russian 13 Jan 94 p 2

[Leonid Kostrov report under the "Visit?" rubric: "A Delegation of the Unrecognized Republic of Serbian Krajina Visited Moscow. Volunteers From Among Russian Cossacks Do the Fighting in the Former Yugoslavia"]

[Text] A delegation of the Republic of Serbian Krajina under foreign minister Slobodan Jarcevic visited Moscow at the invitation of the joint staff of Russia's Cossack troops. The republic and the Cossacks Union of Russia signed an agreement on cooperation in providing humanitarian aid to Serbian Krajina, and exchanging cultural and sports delegations. They also plan to engage in joint publishing activity. In the near future, wounded Serb soldiers will be rehabilitated in guest houses and sanatoriums on Cossack lands in Russia.

"What remains in the current situation is for the Serbs to rely on support from their Russian brothers," Mr. Jarcevic said. "The Islamic world stands behind the Bosnian Muslims, the Croats rely on support from the Catholics, and the Orthodox are historically destined to be friends with Russia." The minister said he highly appreciated the assistance provided by Russian volunteers to Serbian Krajina's army, although, in his view, it was primarily moral in nature. The number of volunteers from Russia, Bulgaria, and Romania remains very small. According to Ivan Chernikov, commander of Cossack troops and minister of economic and cultural ties in the Cossacks Union of Russia, as of today there are a few Cossack units of no more than 10 men each fighting in the former Yugoslavia. "If a Cossack goes to war, the commander cannot ban him from doing so," he said.

The Russian Federation Foreign Ministry learned about the foreign guests' visit from the mass media. Staffers from the European Department, to whom your SEGODNYA correspondent turned for comment, said only that the Republic of Serbian Krajina does not have an official status and that the same applies to any agreements signed with it. The Russian Foreign Ministry has not received any requests in that regard from either side, nor did they have any consultations on the subject.

Israeli Police Minister Meets With Yerin

LD1301135594 Moscow ITAR-TASS World Service in Russian 0756 GMT 13 Jan 94

[Text] Moscow, 13 Jan (CRIME-PRESS)—The Russian Internal Affairs Ministry's Public Relations Center reports that a meeting was held between Russia's Internal Affairs Minister Viktor Yerin and Moshe Shahal, Israel's minister of police and minister of energy and infrastructure, who is in Moscow on an official visit.

During the conversation the problems of combating crime and the possibility of cooperation between the two countries in this sphere were touched upon. The signing of a protocol on the talks is scheduled for today.

Protocol Signed

LD1401014294 Moscow Radio Rossii Network in Russian 1900 GMT 13 Jan 93

[Text] Another meeting took place in Moscow on 13 January. Viktor Yerin, Russian minister of internal affairs, met Moshe Shahal, Israeli minister of police, energy and infrastructure. As a result, a protocol was signed on talks about cooperation between the two ministries on combating international crime. Our correspondent Georgiy Sovtsov reports.

[Sovtsov] The main themes of the protocol are the prevention of crime in the sphere of law enforcement, public safety, the prevention of the illegal narcotics trade with the cooperation of police forces at lower levels. Viktor Yerin, the Russian minister, confirmed that at present work is being actively conducted to conclude a full-scale agreement between Russia and Israel, but as this is being done at government level, the two countries' police ministers can for now sign only the present protocol.

Viktor Yerin also stressed that the restoration of diplomatic and economic relations with Israel made it necessary to draw closer on questions of operational and criminal pursuit work and there are cases of this happening already; for example, in 1993 Israeli police seized over 100 kg of narcotics.

Moshe Shahal cited one of the points of this protocol, on confirming the posts of liaison officers under the ministers of each country to provide operational information. Israel has already established such relations with the United States, France, Turkey, Ukraine, and Russia. Asked whether a Russian mafia existed in Israel, Mr. Shahal replied that the level of crime among former emigrants from Russia and other CIS countries was no different from those living permanently in Israel.

Nuclear Reactor Purchase Discussed

TA1401110494 Tel Aviv HA'ARETZ in Hebrew 14 Jan 94 p C3

[Report by 'Amos Be'er]

[Excerpt] "The Russians are interested in selling Israel nuclear reactors for electricity production." This was reported by Energy Minister Moshe Shahal, currently visiting the CIS republics.

According to Shahal, the implementation of the deal depends on Israel's ability to purchase the Russian reactors in view of the technical, political, and economic constraints.

The minister explained that the Russians are willing to sell five [as published] energy products to Israel, in addition to nuclear energy: crude oil, natural gas, petroleum distillates (such as benzine), and know-how for the production of alternative energy. [passage omitted]

Zhirinovskiy Discusses Israel, Russian Jewry

TA1301085394 Jerusalem Qol Yisra'el in Hebrew 0505 GMT 13 Jan 94

[Report on "special" interview with Vladimir Zhirinovskiy, leader of the Liberal Democratic Party, by Moscow correspondent Gid'on Kouts; place and date not given—recorded]

[Text] Here is another facet, perhaps a new one, of the terrible Vladimir Zhirinovskiy: this time, as a conditional lover of Israel and the Jews. At the outset of a special interview he gave to Qol Yisra'el, I said to him: I heard that you would like to transfer Israel elsewhere.

He replied: I said Israel was put in a region where there are over 100 million Arabs, and there has always been a war between Israel and the Arabs. Had an island been chosen for Israel, such as Madagascar, Cyprus, Malta, or some other island where there are no neighbors and where there would be 10, 20, or 30 million Jews, there would have been no problems and the whole matter would have been over. You have been at war with the Arabs for over 40 years, however, and this war will continue. You signed a peace, but the war has continued and there are casualties every day.

I asked: Do you recognize Israel's right to exist? The State of Israel must exist, Zhirinovskiy replied soothingly, but Russia and the United States should work together to finalize Israel's borders. We have influence with Syria and Iraq, while the United States has influence with Jordan, Saudi Arabia, and Egypt. We should reach a definitive agreement about Israel's final borders and never change them again. War and extremism would then be over. Everything possible must be done so that life is calm for a long time, forever.

Should the Jews of Russia emigrate to Israel? Zhirinovskiy replied: If Russian Jews want to go to Israel, let them. After all, the communists barred them from doing so for a long time and even threw them in jail. If they want to stay, however, they are most welcome, seeing that the Jews have always been highly educated people who can contribute a great deal to their country of residence.

Are there any Jews in the Liberal Democratic Party? An incredulous Zhirinovskiy repeated after me: Are there any Jews in our party? Then he regained his composure and answered: There may be one, two, or three of them. I do not know their exact number, because when people join our party we do not ask them to disclose their nationality.

There has been talk that you are of Jewish origin, that your father was a Jew, I said to him. It is all propaganda, Zhirinovskiy exclaimed. People say my father was Jewish, that I am an anti-Semite, a Zionist, an extremist, a fascist, a communist, and that Saddam Husayn gave me money. The latest tale about me is that the communists in East Germany gave me 80 million German marks, but what I said was: Give me 8 marks. These are outright lies.

So, you are not dangerous, I said. No, I am not dangerous, Zhirinovskiy answered. The magazine BILD carried photographs of a young girl and reported that Zhirinovskiy had a sexual liaison with her when he was in Austria. He said: Where is that woman? I would gladly meet her, but where is she? It is sheer propaganda, as always.

If you are invited to Israel for a visit, will you come? Yes, we will come, Zhirinovskiy replied resolutely.

I guess we had better start getting ready.

Zhirinovskiy Views Crimea Presidential Elections

*LD1301145594 Kiev UNIAR in Ukrainian 0836 GMT
13 Jan 94*

[Text] Moscow, 12 Jan (UNIAR)—Vladimir Zhirinovskiy, Russian Federation State Duma deputy and leader of the Liberal Democratic Party of Russia has made public a statement expressing support for Sergey Shuvaynykov, leader of the Russian Party of the Crimea, in the presidential elections of the Republic of Crimea. Incidentally, the Crimean regional branch of the Liberal Democratic Party of Russia, which has not been registered in Ukraine according to the established procedure, belongs to the Russian Party of Crimea as an associate member. Mr. Zhirinovskiy also expresses support for the Russian Party of Crimea during the elections to the Crimean Supreme Council, which will be held on 27 March 1994.

Zhirinovskiy Aide Details Party's Financial Base

*AU1301200194 Vienna NEWS in German 13 Jan 94
pp 45-47*

[Report by Karl Wendl: "Zhirinovskiy's Network"]

[Text] The room is on the seventh floor of a hotel in the center of Vienna. It is a standard one. Aleksey Vedenkin set up his headquarters here at the beginning of the year. Vedenkin is the "number two" man behind Zhirinovskiy, the ultranationalist victor in the Russian elections, who has been frightening the world with threats to use nuclear weapons for weeks and has been making constant headlines. The room is full of files. There are thousand of photographs and some videocassettes on the window sill. There is a pile of business cards on his desk. The telephone keeps ringing. "They are businessmen," said Vedenkin, "who want to have contacts with us. They are literally falling over each other to get through the door."

Vedenkin took a sip of soda and with an air of superiority said: "They know who they have to bank on. Volfovich [Zhirinovskiy] will be the new Russian president and I will be his foreign minister. At the moment, I am the Liberal Democratic Party's [LDP] financial adviser and its spokesman on Europe." Zhirinovskiy's LDP, with 25.3 percent of the vote, was the clear winner in the Russian elections. In the new Duma (parliament), it has 66 seats. Right after the first parliament meeting Zhirinovskiy presented himself as the "new strong man" and announced the formation of a coalition with the communists.

Vedenkin said: "Thus, we finally have a say. In addition, we are Russia's richest party. I could rent entire floors of hotels, but that is something that we do not do."

Vedenkin's contact man in Austria is 60-year-old Svetoslav Stoilov, a Bulgarian by birth who has lived in Austria for about 30 years. Stoilov has placed his automobile, office, and business contacts in Austria at the disposal of his Russian friends. He also organized Zhirinovskiy's trip to Bulgaria, which provoked a great furor. While Zhirinovskiy then flew directly back to Moscow from Bulgaria, Vedenkin, his companion, the 23-year-old Dimitriy Klinkov, and a bodyguard flew back to Vienna. Dimitriy Klinkov has lived in Austria for two years and is employed as a commercial director at the IBC trading company in Carinthia. He acts as an interpreter and money courier for the Zhirinovskiy team.

Apparatchiks and Ex-Nazis

Working over a period of a few months, Vedenkin and his colleagues have succeeded in establishing a network of companies all over Europe. Zhirinovskiy's "Liberal Democratic Party" already has subsidiaries in Austria, Germany, Italy, France, Holland, and Switzerland. The "Russian Hitler's" team has been successful at skillfully operating on two levels: On one level, with his constant provocations, Zhirinovskiy keeps making headlines. Recently, he condemned President Clinton: "If he does not want to shake hands with me, then he should stay at home and play the saxophone." Thus, all public interest has focused on the figurehead, Zhirinovskiy.

Is the Mastermind a German?

Vedenkin, on the other hand, stays in the background and directs things: He links up old Nazis such as the notorious German Gerhard Frey (the publisher of NATIONAL-ZEITUNG) or Edwin Neuwirth, the Carinthia-based timber trader, with the nomenklatura in Russia and the former east bloc.

Werner Girke from Berlin is supposed to be one of the masterminds. In the GDR, Girke was the financial director of the SED [Socialist Unity Party of Germany]. He had the authority to manage SED bank accounts in the FRG, Switzerland, and Luxembourg. Following the collapse of the GDR, he transferred millions for the SED successor party, the PDS [Party of Democratic Socialism]. He transferred about 100 million Austrian schillings to a Luxembourg bank account. He received the 100 million in cash and without signing a receipt. However, last summer, he returned the money to the Berlin Trust Agency. It is, however, suspected that Girke transferred millions for the KGB as well as the PDS.

Werner Girke was "on vacation" with Zhirinovskiy in Carinthia. He was accompanied by a smartly dressed man with gray hair who spoke with a Saxony area accent. Vedenkin said evasively: "All I can say about the second man is that in the past he had quite a say in the GDR's financial sector." Vedenkin went on to say: "Girke is one of our best friends. I spent six weeks with him in the fall and worked in his office in Berlin. He advised us and gave

me a lot of good tips. The German authorities have known that for a long time. During my stay, the fiscal authorities even conducted an audit at Girke's office. No irregularities were found."

Zhirinovskiy on the NEWS Telephone

Talking about the special relationship between Girke and his leader, Vedenkin said: "Girke visited also visited us in Carinthia during our vacation. However, he certainly did not move any millions around for us."

The short, thick-set 30-year-old paused and said: "Zhirinovskiy will confirm that, let's phone Volfovich." Vedenkin dialed a Moscow number. At the first attempt, a male voice replied at the other end of the line. Shortly afterward, Zhirinovskiy himself was on the line. He does not talk, but shouts: "Yes, I know Girke well. He is a respected businessman and a good friend of mine. However, his T.V.O. neither financed me or my election campaign. The searches at his home are simply an act of revenge, because Girke invited me to Germany. Unfortunately, he sent the invitation to the German Embassy in Sofia, and that is how the authorities established that I am in contact with Girke."

Zhirinovskiy's voice became hoarse as he shouted down the phone. Then, he went on the offensive: "The KGB no longer exists, just as the CPSU no longer exists. In the past, the state controlled their accounts, and today, those accounts are controlled by former party members, who have transferred billions to the West following the putsch. Why is no one angry about that? There are also hundreds of former Communist Party companies in Austria, which are now doing marvelous business. These people are suddenly highly respected in the West. However, the game is over now."

Toward the end of the conversation, he announced that he wants to visit France and Spain in the next few weeks and also expects Germany to grant him an entry visa once again: "If I insulted the German people, then I want to apologize for that in every possible way. I am very sorry, it was not my intention to do so. Please pass that on to my German friends."

Then Zhirinovskiy put the phone down, but not before he had praised "Austria, that wonderful land of culture." We have reported on how much "culture" Zhirinovskiy experienced in Austria. However, the fact is that he returned to Vienna after his sojourn in Carinthia. He rented a penthouse apartment on the tenth floor of Vienna's Plaza Hotel before leaving for Bulgaria on Christmas Day. Actually, Zhirinovskiy also wanted to visit Slovenia and Croatia. Belgrade was also on his itinerary. The 57-year-old Montecgrin Petar Ivanovic wanted to organize a trip to Belgrade for Zhirinovskiy. Ivanovic operates the "Oweka Trading" company, the headquarters of which are on Vienna's Neuer Markt. "Oweka" is involved in trade between the former East Bloc and the West: "We buy and sell oil, copper, steel, everything," argued Petar Ivanovic and pointed out that his "Oweka" had sales of almost 700 million in 1990. In addition, Ivanovic is also an executive director for numerous other companies. "At the moment,"

conceded Ivanovic, "some of our companies are experiencing problems. The UN embargo against Serbia and Montenegro has particularly affected our companies." Is that why he is trying to get close to Zhirinovskiy (Ivanovic hired a special stretched Mercedes limousine for his trip to Carinthia)? Ivanovic: "Of course, Zhirinovskiy is the new man in Russia. Everyone who wants to do business with Moscow must come into contact with him."

Sinister Billionaire

While Ivanovic was only one of the businessmen who just wanted "to establish contact" with Zhirinovskiy, Zhirinovskiy's true financial backer is supposed to be a woman. Aleksey Vedenkin said: "She is French and is called Miriam Selen." [name as published] She is supposed to be close to Jean Marie LePen. Vedenkin boasted: "She has contacts at all the highest levels and is considered one of the richest women in Europe." However, neither the editors of LE FIGARO's commercial section nor DER SPIEGEL's Paris bureau had heard of a "super-rich woman" of that name.

Broom Handles Made of Titanium

However, having lit his tenth Marlboro within half an hour, Vedenkin insisted that "the world will be astonished when it sees what doors this businesswoman will open for us." He drew on his cigarette with obvious pleasure, then blurted out: "Both Zhirinovskiy and myself know exactly which members of the Communist Party have transferred billions to the West and are still doing so." He then cited an example: "Recently, a high-ranking CPSU functionary sent three train loads of brooms to Europe. Everyone was wondering why one would send brooms from Russia to Europe. The broom handles were not made of aluminum, but of titanium."

Business transactions worth billions are supposed to have been carried out in this way through Western front companies. "They trade weapons and drugs, and launder money. We will bring these people back to Moscow and make them appear in court. The contents of their bank accounts will be seized, and we will use the money to fly in food from Austria."

However, before then, Aleksey Vedenkin has got another problem: His Austrian visa is about to expire.

German Papers Cited on Zhirinovskiy Backers

PM1401111194 Moscow KRASNAYA ZVEZDA in Russian 13 Jan 94 p 4

[Article by Yevgeniy Bovkun: "Western Special Services Seek Sources of LDP Funding"]

[Text] Bonn—At first it seemed that it was only kindred spirits from the radical right-wing "German People's Union" who were interested in Zhirinovskiy in Germany. It has now become clear that the Federal Investigation Service is putting together a file on him.

It is now known who invited "Adolfovich" (as one local paper said) to a mythical "European conference" in Berlin.

The names of industrialists who have established cooperation with Zhirinovskiy have also found their way into the press.

The news story about the sources of the Liberal Democrats' capital seems far more convincing than the conjectures about aid from Saddam Husayn and Gerhard Frey [name as transliterated].

So, what is the source of the Zhirinovskiy party's capital, according to the new version?

His relations with the well-known Netherlands firm Global Money Management, and with GMM in Russia, which is headed by Anton Nenakhov, continue to be discussed. A Dutch journalist spoke about this in an interview with Radio Liberty.

At the beginning of January, FRANKFURTER ALLGEMEINE wrote about Netherlands sources of the LDP's money, citing the Dutch newspapers DE VOLKSKRANT and ALGEMEEN DAGBLAD. The weekly WIRTSCHAFTSWOCHE reported that Austrian police and German intelligence service personnel photographed Zhirinovskiy and his entourage in Austria. The magazine prints photographs of Zhirinovskiy, Vedenkin, Stoilov, and Neuwrith.

Nenakhov was among the industrialists who were hovering around Zhirinovskiy in the Reinsberg hotel in Reichenfels (Austria), WIRTSCHAFTSWOCHE writes. German intelligence has corresponding photographs received from Austrian police, whose agent, disguised as a skier, secretly filmed what was going on in the hotel.

In Austria Zhirinovskiy's financial interests are represented by 23-year old Dmitriy Klinkov, who calls himself the commercial director of "IBS GmbH" and is constantly traveling between Moscow and Klagenfurt, WIRTSCHAFTSWOCHE writes. One firm which is involved in trade with the East belongs to a former timber dealer, Josef Hambrusch, who is known to have maintained close contacts with Zhirinovskiy's partner Aleksey Vedenkin for a long time. According to the periodical PROFIL, he stated in Austria: "I am concerned that the party should have enough millions of dollars at its disposal. We are trading with this aim in mind, and this includes trade with local businessmen." The objects of trade are—"petroleum, lumber, and everything that brings a profit."

With Hambrusch's help Zhirinovskiy has established connections with another entrepreneur—Edwin Neuwrith, a man with a very curious biography. At 16 he voluntarily joined the SS and to this day remains a member of "Fellowship No. 4," which brings together former SS men. In 1950 he obtained Austrian citizenship and started to

trade in lumber; he traveled to Russia and Yugoslavia. It is believed that the LDP conducted its financial transactions in Austria through him.

The third thread runs through Austria to the Balkans. A Bulgarian with an Austrian passport, Svetoslav Stoilov, is acting as middle-man for Zhirinovskiy; they met in Moscow a few years ago. He has a warrant personally signed by Zhirinovskiy 28 December 1993. It says (I cite the translation from the German): "I hereby confirm that Mr. Svetoslav Stoilov is my adviser on questions of economics and entrepreneurship."

An Austrian police camera also captured Stoilov the consultant. However, he does not even hide his relationship with Zhirinovskiy. He willingly admits to journalists, for example, that he flew with him illegally (without a visa) from Austria to Greece, to Salonika, where "Vladimir bathed in the Aegean, and told him (Stoilov) there that he would be a most suitable president for Bulgaria, WIRTSCHAFTSWOCHE writes.

Through Stoilov Zhirinovskiy maintains ties with Balkan entrepreneurs. One of them is the Serb Petar Ivanovic, who has lived in Austria since 1968 and owns the OWK petrochemical company.

Finally, another thread runs through Germany, to Berlin. There, on Kaiserin Augusta Allee, is the "Society for the Organization of Guardianship and Administration," which is officially involved in buying up enterprises in the former GDR and belongs to Werner Girke [surname as transliterated] and Werner Neumann. Both of them came to Austria in order to meet Zhirinovskiy.

In actual fact the firm is involved in something quite different. It has become known that until May 1990 it belonged to the Swiss holding "ORVAG AG," which laundered Socialist Unity Party of Germany [SED] money in Switzerland and Liechtenstein, multiplying the wealth of the GDR's party-state leadership. Following unification, the legacy of the SED fell to the Party of Democratic Socialism, the richest of all the FRG political parties.

FRANKFURTER RUNDSCHAU writes that Girke is suspected of laundering SED party money and that his contacts with Zhirinovskiy have seriously alarmed the Guardianship Council.

The same newspaper writes that the Berlin police have searched the premises of Girke's firm. According to its reports, Zhirinovskiy received at least 3 million German marks for the election campaign with Girke's help. Proof of this is provided notably by bank accounts and receipts seized by the Berlin police during the search. According to these documents, Zhirinovskiy received this money via transfers into bank accounts in Moscow and Prague in the form of payment for "consultations."

Political Issues

Government Reorganization Raises Questions

PM1301151594 Moscow IZVESTIYA in Russian
13 Jan 94 First Edition p 1

[Eduard Gonzalez article: "Cosmetic Reorganization of the Government Could Conceal Any Intention You Like"]

[Text] The publication of the Russian president's edict on the structure of the government has made a bizarre impact—everybody has started to conjecture who will stay on as vice premier and who will be stripped of the title. As for the rest, the structural changes to the executive branch are unanimously acknowledged to be cosmetic: There were 30 ministries, now there will be 23; some the committees have been renamed, others have been transformed, and still others have been abolished. Is that all?

At first glance it is. But if we take another look, it becomes obvious that we now have a two-tier executive branch: The Russian Federation Government and the federal organs of executive power. This is the "cosmetic" aspect—there used to be one tier, now there are two. And what are we to understand by the government? Is it the executive branch or is it a kind of special superstructure with the federal organs of executive power below?

Let us assume that this is so. But who then is in the government? According to the Constitution, it is the premier, his deputies, and the federal ministers. At the same time it has always been thought that the chairman of an intersector state committee is even higher than a sector minister. Provision has now been made in the structure for federal ministries and "other federal organs of executive power." We may assume that, in accordance with the Constitution, ministers will be part of the government unless the cabinet decides to restrict itself to five members. But what will happen to these "other organs"?

I do not wish to belittle anyone, but I think everyone will understand that the government will not include the directors of the Russian Insurance Activity Oversight Service or the Taxation Police Department. But what will be the position of the committees for industrial policy or machine building, or the counterintelligence and employment services? Finally, what about the Committee for the Management of State Property? I mean to say that their place among the "other federal organs" is fixed. But what is their position vis-a-vis the government?

It should be noted that, at this top level of political leadership, it is normally the case that nothing is ever "just so." Privatization began two-and-a-half years ago, and an appropriate law was adopted at the time. Among other things, it said that the chairman of Goskomimushchestvo [the State Committee for the Management of State Property] was a member of the government and an ex officio deputy premier. I cannot recall anyone rescinding that law, but the law, of course, is not the main issue—the matter goes deeper than that. It is clear that at the time this

committee was "elevated" because privatization had only just gotten under way. But what now? Maybe it has finished?

The privatization program is supposed to have been adopted quite recently, so it is continuing. Although it must be admitted that by no means everybody is enthusiastic about the way it is developing. Surely it would be better if Goskomimushchestvo were to forfeit all its influence over the members of the government—the federal ministers—and through them its influence over regional authorities?

Maybe Goskomimushchestvo has dropped down into the category of "other federal organs" because it has trodden on too many people's toes? In that case permit me to ask the central question: Generally speaking, what kind of government structure are we discussing? Everyone agrees that we are talking about a reform government. But privatization is at the heart of the reforms. Moreover, it is the part of the reforms, which gives something to people rather than taking it away from them. Incidentally, it is the only aspect of the reforms that has a clear, approved, and detailed program for the coming year. What reforms would the government implement if it were to drop this program?

My conjectures could be mistaken, however: After all, the edict says nothing about Goskomimushchestvo's being outside the government framework. The fact is that anyone can, if he so desires, interpret the words of the edict in whatever way he pleases. But in such cases it is usual practice to issue an interim, trial document, which includes room for maneuver rather than a totally definitive text. And, depending on the reaction, the lacunae are then filled in with specifics. The proposed structure, it should be recognized, could be filled with any content whatsoever, right up to state sector regulation of the economy.

It seems that the innovation involving dual subordination of certain organs belongs in the same experimental category. The Ministries of Defense, Internal Affairs, Foreign Affairs, and dozens of different services are part of the executive branch structure, but are also subordinate to the president. There is supposedly nothing unnatural about this, because the entire executive branch is subordinate to the president. He manages his own branch through the government, but how is he going to handle the elected representatives? He will apparently have to establish a special apparatus. But this is just another guess.

No, I am still not going to describe the changes in the government structure as cosmetic—these changes raise too many questions. Serious questions to which we have not yet received any answers. However, there is a rule of thumb: If you want to find out answers, you first of all have to phrase your questions in such a way that they lead to the desired result. Or you may not wish to phrase any questions at all. You can simply wait for additional information to appear; which apparently will not be long in coming.

Administrator Explains Reorganization Edict

PM1401121194 Moscow ROSSIYSKAYA GAZETA in Russian 14 Jan 94 First Edition p 1

[Interview with Yevgeniy Arefyev, deputy head of the Russian Federation Government apparatus, by Ruslan Ignatyev; place and date not given: "Government: Restructuring on the March"]

[Text] A Russian Federation presidential edict has approved the new structure of federal organs of executive authority. A ROSSIYSKAYA GAZETA special correspondent asked Yevgeniy Arefyev, deputy head of the Russian Federation government apparatus, to comment.

[Ignatyev] Yevgeniy Parfiryevich, on first acquaintance with the edict the impression is that minor changes have been made to the structure of government, the number of ministries is little reduced, and there has been practically no reduction in cabinet numbers. The question is: Was this restructuring necessary?

[Arefyev] Yes, the media are currently claiming that there have been no significant changes in the structure of the government. That is not so. First of all I want to say that the reorganization of federal organs of executive authority was necessary in view of the adoption of the Russian Federation Constitution, since there were many elements in the old structure that did not correspond to the country's main law. For instance, we have 22 ministries and 15 state committees. The latter's chairmen were members of the government, together with the ministers. Article 110 of the Constitution makes no provision for that. Point 2 says: "The Government of the Russian Federation comprises the chairman of the Russian Federation Government, the deputy chairmen of the Russian Federation Government, and federal ministers." That is why some state committees were turned into federal ministries. For instance, the Russian Federation State Committee for Economic Cooperation With Commonwealth States was turned into the Russian Federation Ministry for Cooperation With CIS States. The word "economic" was deliberately removed from the old name. So the functions of the new structure have been expanded.

[Ignatyev] So it was decided, as it were, to adapt the new government structure to the Constitution?

[Arefyev] No. The entire restructuring of the federal organs of executive authority was a response to the command of the times, to the new economic and social transformations that are currently taking place in our country. We are not just changing nameplates. Indeed, some ministries were created by combining state committees with other departments with related functions and activities. For example, the Russian Federation Ministry for Civil Defense, Emergencies, and for Eliminating the Aftermath of Natural Disasters was the successor to the state committee of the same name. But it incorporated the functions of the former Russian Federation State Committee for the Social Protection of Citizens and Rehabilitation of Territories Affected by the Chernobyl and Other Radiation Disasters,

the Committee on Special Underwater Work, and the Russian Federation Air and Space Search and Rescue Service.

[Ignatyev] So there was practically no reduction and some departments acquired higher status by being revamped or combined, while others joined other government structures?

[Arefyev] All state committees left the government. Some of them did become ministries; others were absorbed into new structures, while nine of the 15 remained autonomous. They are performing the same functions as before, but they are operating within the framework of the law. I think this is the right decision. Irrespective of any change of government, the leadership of these committees will not now be replaced. As a rule, they are structures with very specific functions. Their work requires stability above all else. But some departments, such as the Russian Federation State Committee for the Management of State Property, could be turned into ministries, if necessary. It would require the Federal Assembly's adoption of a number of amendments to existing laws. Whereupon, the president would be able to issue an edict transforming the department. So of the 37 former members of the government who were heads of ministries or state committees, only 23 remain. Don't you call that a significant reduction?! We are nearly matching world standards now.

The world average for cabinet members is between 12 and 25. We now have a total of 29 instead of 45.

[Ignatyev] Is it possible to say at this point who will be the top people in the new cabinet? The press has already suggested the names of Gaydar, Soskovets...

[Arefyev] First of all I want to say that for the moment all the members of government are performing their duties as before. None has been dismissed. It is too early to talk about a new leadership. But if consultations have taken place in this matter, only two people—Boris Nikolayevich Yeltsin and Viktor Stepanovich Chernomyrdin—can put specific names to the deputy prime ministers. And the press is misinforming you by publishing the names of candidates. We will get precise information in the very near future and we will certainly tell you.

Deputy Says Chubays May Quit Property Committee

PM1301132994 Moscow IZVESTIYA in Russian 13 Jan 94 First Edition p 2

[Report by Igor Karpenko of interview with Dmitriy Vasilyev, deputy chairman of the State Committee for the Administration of State Property; place and date not given: "New Privatization Program Adopted. But They Are Already Intending To Revise It"]

[Text] The president's edict "on the state program for the privatization of state and municipal enterprises in the Russian Federation" has been adopted. It would seem the end of the odyssey of a long-suffering document, which took 18 months to squeeze through the departmental

turnpikes and parliamentary antagonism. Dmitriy Vasilyev, deputy chairman of the State Committee for the Administration of State Property [Goskomimushchestvo], told IZVESTIYA how it differs from the 1992 program and what fundamental changes have been made to it by the government, time, and the economic situation in the country.

The present program, like the previous one, sets as its main aim the formation of a broad stratum of private owners as the economic basis of market relations. All the main means of privatization have been preserved as have the previous three types of benefit (incentives for the third type have been drastically enhanced), and the principles for voucher privatization that does not involve money [besplatnaya], the existing mechanism for voucher auctions, and so forth have been enshrined.

If you compare the "democratism" of the two programs then in D. Vasilyev's opinion one can sense in the new one a "certain deterioration—there are more departmental bans and additional tough bureaucratic measures have been introduced."

At the same time all procedures of importance for voucher privatization have been successfully defended in the government and enshrined in documents and the list of property open to privatization has been expanded. D. Vasilyev believes that the sections on the privatization of nonresidential premises and the sale of land plots attached to enterprises are particularly important. Land and real estate are the foundation of small business, the basis of the next wave of market reforms. It is important that in the privatization process permission has been given to "divide up" and sell uncompleted construction projects.

A new section on foreign investments, in fact, lifts all restrictions for the participation of foreign businessmen in auctions and when buying shares for money and for vouchers. Actually one—substantial—restriction is envisaged for foreign businessmen: The federal counterintelligence service can submit to the government within a month a substantiated conclusion to the effect that shares should not be sold to a particular investor. Counterintelligence intends thus to prevent the "laundering" of money by the narco-mafia, the criminal world, and so forth.

The program substantially strengthens the role of investment funds. They have finally been allowed to increase the proportion of shares of a single enterprise in their portfolio to 25 percent instead of 10 percent, which will enable funds to take a real part in the management of joint-stock companies. Some funds have collected only 1,000 vouchers and, realizing that they simply cannot function, have been obliged to surrender their shares to larger and more powerful colleagues. This practice of some funds being "swallowed up" by others has now been legalized by the program. On the other hand, commercial banks' opportunities for purchasing the shares of privatized enterprises have been palpably limited.

The new program in general devotes substantial space to the defense of shareholders' rights. Henceforth all fundamental decisions—on liquidating the company, on

changing the incorporation capital, on joining a holding company or financial and industrial group, on selling a large proportion of its property—will be made only at a meeting and with the agreement of three fourths of shareholders. The actual procedure for holding and preparing meetings has been "prescribed," ruling out the possibility of disregarding the opinion of ordinary shareholders, and so forth.

Dmitriy Vasilyevich believes that the biggest flaw in the new program is what he called "fantastically large section on the sectorial features of privatization, which includes goodness knows what—from timber procurement establishments to medicine and cultural institutions." There were endless disputes in the government over the "specific features" of privatization in literally every sector, which in actual fact do not and should not exist. Vasilyev is convinced that this is only the first "pass" by the ministries and that this trend will strengthen and develop. And as proof he cited a striking fact: On 24 December the edict was signed, on 30 December it left the president's office, and today several ministries have already prepared the draft of one more edict...on repealing the privatization program in connection with the new political situation. The thrust of the changes is to approve departmental monopoly in a different incarnation—through holding companies and giant financial and industrial groups.

To my question as to whether the new political situation is linked with the possible response of the State Duma Dmitriy Vasilyev replied that privatization will hardly be subjected to serious attacks from parliament in the near future—it has enough concerns of its own. The "situation" in the government is more complex.

According to some reports the government intends to use Anatoliy Chubays' deputy's duties and status as faction deputy chairman as a pretext for removing him from the post of Goskomimushchestvo chairman. In that case even without "attacks" from the Duma, the implementation of the privatization program will simply be left hanging.

God grant, as they say, that it all turns out to be rumor. I am well acquainted with the situation and the relations that have taken shape in the Goskomimushchestvo and I am sure that following Chubays, his team—the brain center of the committee with which all present privatization ideas are linked—will unfailingly go too. Privatization is still a long way from completion and in contrast to Chubays I am, alas, far from convinced that "this process is irreversible." Although it is a case of the foundation of market relations and all reforms in the Russian economy.

Shokhin Claims Chernomyrdin Offered Him Government Post

LD1301153194 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] Aleksandr Shokhin told Interfax Thursday that Prime Minister Viktor Chernomyrdin had asked him to stay in the government.

With reference to his recent meeting with the prime minister he said that they had talked about a specific post, but did not say which post had been offered to him. Earlier Shokhin had told journalists that if he did not retain the post of vice premier he would not consider his work in the government expedient.

He noted, however, that at first he would "fight" for a serious post in the State Duma, say the post of a committee chairman. "I would prefer to act in this capacity given the complicated situation in the State Duma," he said.

Shokhin refused to comment on the presidential decree on Cabinet reorganization, saying that he would not like to criticize the decree. He said, though, that if he had been given an opportunity to take part in drafting this document, "some of its provisions would have looked much better".

Next week, appointments to the post of vice premier and other posts are to be announced.

May Remain in Government

LD1301235594 Moscow ITAR-TASS in English 2034
GMT 13 Jan 94

[By ITAR-TASS correspondent Oleg Velichko]

[Text] Moscow January 13 TASS—Russian Vice-Prime Minister Aleksandr Shokhin said on Thursday he might remain in the government after an upcoming cabinet reshuffle.

The statement, which was made in the State Duma, the lower house of Russia's new parliament, on Thursday followed Russian President Boris Yeltsin's decision to cut the number of vice-prime ministers in the government from nine to four. There have also been numerous leaks that Shokhin and vice-premier Sergey Shakhrai, both have been elected deputies of the State Duma, will not be offered posts in the new government.

In an interview with ITAR-TASS, Shokhin disagreed with statements that reductions will be made at the expense of reform-minded ministers. To exemplify his point, Shokhin cited Yeltsin's decision to appoint Anatoliy Chubays who is in charge of privatisation in Russia a fifth vice-prime minister. He added that none of the ministers of the old government has received such an offer yet.

Shokhin did not rule out the possibility that the number of vice-prime ministers may increase in the future. According to him, there are two optimum ways to form the government: first to determine the number of vice-prime ministers and then increase it or entrust federal ministers with management functions. In the latter case Shokhin would call for cutting the number of ministries by "establishing such a system under which ministers will have more powers in the government, while vice-prime ministers could substitute the premier in his absence."

Adoption of Directives, Personnel Appointments

PM1301142994 Moscow ROSSIYSKIYE VESTI in
Russian 13 Jan 94 p 1

[Unattributed feature: "Executive Branch: Monitoring"]

[Text] Documents

By a directive of the Russian Government, and in order to ensure the funding of work on the program for developing the production of city buses in Russia in 1993-1995 to the tune of 1,000 buses, the Russian Federation Ministry of Finance will allocate 500 million rubles [R] from the Russian Federation Government reserve fund to the Davydovo Joint-Stock Company in January 1994.

By a Russian Federation Government directive, and with the aim of repaying Russia's state debt to Germany for the supply of equipment for the production of steel railcar casts to the Abakan steel casts plant, agreement has been given to the proposal made by the Republic of Khakassia Council of Ministers to repay the debt of 7.8 million German marks by supplying containers manufactured by the Abakanvagonmash Production Association in the course of 1993-1994.

By a Russian Federation Government directive, the proposal made by a number of committees, ministries, the MiG Science and Production Complex, and the Sokol Aircraft Building Plant to set up and organize series production of the MiG-110 multirole light transport aircraft with twin turboprop TV7-117SV engines, has been adopted.

Cadres

The following have been appointed by Russian Government directives:

Sergey Oslikovskiy—first deputy general director of the Rosvooruzheniye State Company for the Export and Import of Weapons and Military Hardware;

Valeriy Tretyak—first deputy general director of the Rosvooruzheniye State Company;

Pavel Trishin—deputy general director of the Rosvooruzheniye State Company.

The following have been appointed by edicts of the Russian Federation president:

Anatoliy Smirnov—Russian Federation ambassador extraordinary and plenipotentiary to the Republic of Rwanda. Petr Komendant is released from these duties in connection with his retirement on pension;

Igor Yakovlev—Russian Federation ambassador extraordinary and plenipotentiary to Jamaica and Antigua and Barbuda simultaneously. Vladimir Romanchenko is released from these duties in connection with his retirement on pension.

The following are appointed by Russian Federation Government directives:

Georgiy Grinevskiy—trade counsellor at the Russian Federation Embassy in Kuwait. O. Lazarev is released from these duties in connection with his transfer to other work;

Viktor Koptevskiy—Russian Federation trade representative in the Republic of Turkey. V. Litvinov is released from these duties in connection with his retirement on pension;

Yevgeniy Isayev—Russian Federation trade representative in the Republic of India. G. Shcherbakov is released from these duties in connection with his transfer to other work.

By an edict of the Russian Federation president, Anatoliy Kobzev is appointed the Russian president's representative in Tomsk Oblast.

Shumeyko Says Communists 'More Dangerous' Than Zhirinovskiy

AU1301164394 Munich SUEDEDEUTSCHE ZEITUNG in German 13 Jan 94 p 8

[Interview with Deputy Prime Minister Vladimir Shumeyko by Thomas Urban in Shumeyko's office in Moscow; date not given: "The Communists Are Much More Dangerous Than Zhirinovskiy"]

[Text] [Urban] You were one of the top candidates of Russia's Choice. Why did your bloc receive fewer votes than Zhirinovskiy's ultra-rightists?

[Shumeyko] We were only barely defeated. This was mainly attributable to preparation for the elections. Zhirinovskiy had set the goal for himself to win in any case. Russia's Choice failed to do so. Our election bloc did not make any promises, but instead continued to implement the government program.

[Urban] Most people apparently did not agree to such an approach.

[Shumeyko] It is a well-known fact that people currently have to put up with a decreasing living standard. This is an unavoidable part of this program. An estimated 30 to 40 million people are affected by it. Under socialism, most people got used to the fact that everything was settled for them for the future. It was simply enough to tug up at one's job to get paid.

[Urban] What, precisely, is different today?

[Shumeyko] The old ideology called Marxism-Leninism was defective. But it offered the people an orientation in life. Today we have an ideological pluralism that is also guaranteed by the Constitution. This means an ideological vacuum. However, the recent elections have shown that the notion of a powerful, strong state is alive.

[Urban] It was, above all, Zhirinovskiy who profited from this fact.

[Shumeyko] Whenever Zhirinovskiy appeared, he treated his audience like 12-year-old children, whereas others expounded their position at an academic level. Not everyone saw this.

[Urban] Is Zhirinovskiy dangerous?

[Shumeyko] His popularity is based solely on the way he talks with his voters. I have known him from two angles. As a member of the constitutional assembly called by the president he was silent, not talkative. When he did speak, it was mostly constructive. The communists are much more dangerous.

[Urban] Doesn't the failure of Russia's Choice mean a move away from the market economy?

[Shumeyko] According to Article 4, Paragraph 2 of the new Constitution, the government cannot stop the reform process. The government will not change its course, which is aimed at the market economy, but will continue it in accordance with the Constitution and the Federation Treaty. It agreed on a program for 1993 to 1995.

[Urban] What will the new government look like?

[Shumeyko] There will probably be structural changes. The apparatus will be streamlined, and the number of ministries reduced to 26 or 27; state committees that were independent in the past will be integrated into the ministries.

[Urban] Will the president continue to pursue his course, irrespective of the parliament and its majority of communists and nationalists?

[Shumeyko] The parliament consists of two chambers. The Federation Council consists of approximately 170 members. Two-thirds of them are regional administrative chiefs; they are the people who carry out the president's decrees and push reforms. However, the Duma with its different majorities can, under the Constitution, only make decisions in a very limited number of cases—as opposed to the former Supreme Soviet, which could deal with everything and decide on everything. This does not mean, however, that government work has become easier, since both chambers also have to get along with each other.

[Urban] You are one of the advocates of presidential democracy as defined by the new constitution. Boris Yeltsin will be head of state for another two years. What will come after him?

[Shumeyko] There is currently much talk about a presidential party. This is not Yeltsin's party, but an association of people advocating a strong state. This is the first time in Russia's 1,000-year history that there is a president, and Yeltsin is the first to hold this office. So the definition of the office depends on him. The fact that Zhirinovskiy is mentioned as a possible president shows that the office does not yet carry the weight and prestige due to it. Everyone must acknowledge that only someone who has a constructive attitude in every respect should be the head of state. Therefore, the development of this office must not be interrupted. Boris Yeltsin should be at the helm of the state for another term.

[Urban] But he has said that he does not want to and is not going to continue in office.

[Shumeyko] True. But he is strong enough and in good health. There is still a long time to go until 1996.

[Urban] How are you going to prevent a nationalist from becoming president in two years?

[Shumeyko] A president's party must emerge. I see the people advocating the notion of a strong and powerful state. The Russian nation, in a historic-philosophical sense, has always been expansive. Yet Russia has never conquered other states, only absorbed them. The Bolsheviks took over this empire. The people here and in the West always saw Russia in the Soviet Union. With the collapse of the Soviet Union, Russia lost some of its territory for the first time in history. Russians became a minority in other states. This is a psychological shock for the whole nation. Zhirinovskiy's campaign was focused on this fact, and a presidential party must also focus on it.

[Urban] What would be the difference, then, to Zhirinovskiy?

[Shumeyko] The democratic grassroots. I hope there will be a president's party in two years. Then the person will win who has an idea—the idea of a democratic Russia led by a president, but a state in which the people are proud of being its citizens.

[Urban] Who will be the first to succeed in conveying such an idea?

[Shumeyko] Perhaps the communists will be strong in this field, but the fascists will not. Everyone says that Zhirinovskiy's election success spells the rise of neofascism. But we must not ignore the fact that elderly people, above all, were the ones who voted. There is not a single family in our country that did not lose someone in the war. These people, of course, did not vote for fascism, but protested against their current living conditions. They voted for politicians who made promises.

[Urban] So will Russia in the future bank on its own way and put the West last?

[Shumeyko] We must differentiate between policy and the economy. Russia will also seek mutually beneficial economic cooperation, but it will never neglect its political interests. There is currently much talk about the Kaliningrad (Koenigsberg) area. The president has now created the option by decree that the area become a free economic zone. A small army contingent that will continue to be deployed there cannot interfere with this plan. But it means that Kaliningrad is Russian, and Russia will never leave the area. Russia is a sovereign state and can deploy its armed forces wherever it likes.

Zemstvo Movement Spokesmen Hold News Conference

*MK1301132094 Moscow SEGODNYA in Russian
13 Jan 94 p 2*

[Gleb Cherkasov report under the "Alternative" rubric: "Zemstvo Movement Looks for Its Niche and Wants To Replace Local Government Organs"]

[Text] A press conference was held in Moscow yesterday of the Russian Zemstvo [a system of local administrations] Movement (RZM) founded, or rather recreated, in November 1993. Having a hand in its creation were such organizations as the Russian Orthodox Church; the Association of Small and Medium-Sized Towns of Russia; the Russian Union of Self-Government; three cultural funds headed by Nikita Mikhalkov, Aleksandr Krutov, and Vyacheslav Klykov; and the Agrarian Union, provincial commercial structures, and so forth. Besides, the revived Zemstvo movement counts on assistance from the heads of administrations, noteworthy among whom is Nizhniy Novgorod Governor Boris Nemtsov, and help from experts such as Aleksandr Tsipko and Valeriy Zorkin. Although the movement was not active in the recent parliamentary elections, according to an RZM spokesman, some 50 percent of State Duma deputies, especially in the Democratic Party of Russia faction, share Zemstvo supporters' views.

The fundamental objectives of the movement are the "revival of moral and spiritual foundations of Russian society and restoration of this country's traditions of organization of power and the state." In the opinion of RZM Chairwoman Yelena Panina, the key areas of activity at this stage should be a quantitative and qualitative expansion of the movement, and the evolution of a concept for reforming local administration. According to Mrs. Panina, the best model for a system of local administration that could not only fill the vacuum of power but that would also be organic for Russia, would be a combination of Zemstvo structures and the organs of government administration. The draft text of a law on so-called Zemstvo Reform prepared by experts of the movement should be submitted for scrutiny in the Duma. In addition, specific programs are being evolved aimed at solving ecological and educational problems, the development of small and medium-sized businesses.

Speaking before journalists, Yelena Panina outlined things that are supposed to form the "object of thoughts and work of not only Zemstvo supporters, but also of all the other nationally thinking people." In her opinion, this is a rallying of public forces on the basis of the revival of traditional Russian spirituality and healthy patriotic, rather than nationalist, ideas.

According to Mrs. Panina, RZM initiatives are meeting with understanding of Boris Yeltsin, with whom leaders of the movement had a two-hour discussion, and with understanding of members of the president's staff, with whom fruitful cooperation has been established. Zemstvo supporters are hoping to come to terms with the prime minister as well.

Although RZM proposals on a local government reform are not likely to be taken up adequately by the Federal Assembly, the movement, which has structures in 72 regions of Russia, would be able to influence in no small way the course of elections to local bodies of power.

Yeltsin Orders Audit of Ostankino Finances*MK1401103094 Moscow MOSKOVSKIY
KOMSOMOLETS in Russian 14 Jan 94 p 1*

[Unattributed report under the "Hold the Front Page!" rubric: "President Checks Up on 'Ostankino'"]

[Text] On Wednesday [12 January], a presidential commission of 15 persons began a sweeping audit of the financial activities of the "Ostankino" television and radio company and of all subordinated enterprises. The commission comprises representatives of control and auditing administrations under the president, the tax police, and the Russian Federation Finance Ministry. In all probability, some of the facts that have been revealed and already reported by MOSKOVSKIY KOMSOMOLETS and that further investigation may prove to be gross financial violations, made Yakovlev ask the president to order a checkup at the state level.

MOSKOVSKIY KOMSOMOLETS has learned from competent sources that the commission is supposed to pay special attention to Lazutkin, former first deputy general director of "Ostankino," who currently holds the position of first deputy head of the Russian Federation Federal Service for Television and Radio Broadcasting. By all appearances, the commission will show special interest in the agreement Lazutkin signed between "Ostankino," the State Television and Radio Fund headed at the time by Kornilov (currently under investigation on charges of taking a \$5,000 bribe), and the "YuSSYu- Art-Group" entitling the Americans to rights to Russian music archives.

Military & Space Issues**Kozyrev Writes on Military Doctrine***PM1301200194 Moscow KRASNAYA ZVEZDA in
Russian 14 Jan 94 p 3*

[Article by Foreign Minister Andrey Kozyrev under the rubric "Russia's Interests": "Country's Military Doctrine and International Security"]

[Text] The results of the December elections to the Federal Assembly have generated a debate abroad about possible changes to Russia's foreign and military policy. Citing the irresponsible, profascist statements made during the election campaign, certain observers have been predicting a strengthening of Moscow's "imperial aspirations."

I have already stated my attitude to such statements. I would like to reemphasize that Russia's line in the foreign policy and security sphere is determined by the Russian Federation president. This situation, which is enshrined in the new democratic Constitution, reliably protects that line from the influence of national extremism. The policy basically remains the same—both in terms of being geared to the development of good-neighborly relations of partnership with the outside world and in terms of being open and predictable.

Another guarantee of the stability and consistency of the country's foreign and military policy is the Russian Federation military doctrine approved by the Russian president in early November. Together with the foreign policy concept ratified in April, it is an integral part of the emergent concept for the country's security.

The distinctive features of our military doctrine are its defensive thrust and the strict account it takes of the country's actual requirements as regards ensuring national security. In terms of its content it is entirely comparable with the doctrinal provisions of most democratic states. I am referring above all to the similarities in the assessment of the military-political situation and the prospects for its development both globally and regionally. A key factor is the absence of any potential military enemy for Russia. According to the doctrine, the main threat to the country's security is posed by local conflicts and the spread of nuclear and other weapons of mass destruction.

The Russian military doctrine is an obstacle in the way of any attempts to abuse military force. While using the full panoply of means available to it to safeguard its security, Russia will at the same time give priority to peaceful—above all, political and diplomatic—means. Military force can only be used for self-defense purposes, in order to rebuff aggression.

The Russian Armed Forces will be shaped to take account of the major changes in the world and the country's actual economic potential. By the end of this century, after the transition to the mixed principle of manpower acquisition, they will be substantially smaller, but more mobile and equipped with effective weapons systems and military hardware in sufficient quantities to ensure the defense of the country and its allies.

This provision of the doctrine can be illustrated by the Navy. It will fully retain its role as a factor determining Russia's might as a great power. Moreover, given the cuts envisaged by the Russian-U.S. START II Treaty, the naval component of our strategic "triad" will have increased. The decommissioning of obsolete ships will be combined with efforts to equip the Navy with modern hardware. The ships flying the St. Andrew's ensign should embody the most advanced achievements of Russian science and technology.

The fact that all this is not only necessary but possible was something I saw for myself at Severomorsk in Murmansk Oblast, where the electoral district, which I represent in the State Duma, is located. An immense potential is concentrated there—the flower of Russia's Navy. This was also attested by my visit to Russia's naval outposts in the Far East and to the ships of the Black Sea Fleet. The Navy is traditionally one of the most flexible foreign policy tools at the disposal of the Russian state, whose interests naval seamen and diplomats have defended and will continue to defend together. I am therefore all the more aware of the social needs—requiring state support—of those who serve the motherland on its ocean and maritime borders.

Our view of nuclear weapons is becoming more realistic compared to that that prevailed in the Soviet period. The

aim of the Russian Federation's policy is to remove the threat of nuclear war and the use of nuclear weapons by deterring a potential aggressor. In other words, Russia sees its nuclear forces first and foremost as a means of preventing war. This view is also conditioned by the fact that Russia does not intend to recreate massive Soviet-style general-purpose forces.

It would be a mistake to make out that our new approach to nuclear weapons increases the risk of nuclear war. The fact that we do not intend to be the first to use any weapons, and see nuclear weapons as a last resort, is of fundamental importance.

The military doctrine's provisions take full account of CIS collective security interests and are geared to strengthening defense cooperation among the CIS states on a multilateral and bilateral basis. The prerequisites for this are shared national security interests, a standard [odnotipnyy] armed forces structure and standardized weapons systems, and an interest in maintaining the former Union's defense infrastructure within your own territory.

The main provisions of Russian military doctrine have been brought to the attention of Russian and foreign public opinion. The international community has thereby been able to get a clearer idea of the aims and content of our policy in the security sphere. Our numerous contacts show that the world is satisfied with its defensive thrust and the way in which it corresponds to the norms of international law. This creates favorable prerequisites for strengthening Russia's cooperation with other countries in maintaining international peace and security. In particular, there is growing potential for cooperation among the nuclear powers. I am referring to the ending of nuclear weapons tests, given the ultimate goal of a comprehensive test ban, and to further reductions in nuclear forces to a minimum level and, in the distant historical future, the complete elimination of nuclear weapons.

Russia is ready to cooperate with all states in preventing the spread of nuclear and other weapons of mass destruction and the latest military production technologies. Safeguarding [obespecheniye] the unlimited-duration Nonproliferation Treaty is on the agenda. The clarification [konkretizatsiya] in the doctrine of the cases in which Russia will not use its nuclear weapons against parties to that treaty will serve as an added incentive for nonnuclear states, which have hitherto remained outside the treaty to sign it.

The new view on the nature of a possible war, which recognizes the minimal likelihood of the unleashing of world nuclear and conventional war along with the increased risk of local wars, including those on the territory of the former USSR, orients our diplomacy toward more active cooperation with other states with regard to peacemaking. The CSCE declaration condemning aggressive nationalism, which underlies many local conflicts—a declaration adopted on Russia's initiative—is of great significance.

In accordance with the doctrine the Russian Federation Armed Forces acquire a new function: participation in

carrying out peacemaking operations. These are implemented by decision of the UN Security Council and other collective security organs or in accordance with international agreements, primarily within the CIS context. It is a matter of Russia's fulfilling not some sort of gendarme functions, but a mission fully consonant with its status and duties as a permanent member of the UN Security Council. The Russian troops taking part in such operations strictly respect the sovereignty of the sides involved in the conflict and act with their consent and in accordance with a clearly defined mandate.

In fulfilling peacemaking functions on the territory of the former USSR, the Russian Federation is prepared to cooperate closely with all interested countries and international organizations, primarily the United Nations and the CSCE. We are entitled to expect the world community to provide material support for this activity. We are raising the question of creating an international voluntary fund for these purposes.

The military doctrine envisages completing before 1996 the withdrawal to Russian territory of the Russian units stationed outside Russia. We will seek to ensure that the agreements being elaborated with a number of countries regarding this properly take into account Russia's security interests and also the interests of the Russian-speaking population in these countries.

At the same time the doctrine realistically proceeds from the premise that the interests of the security of the Russian Federation and other CIS members may necessitate the stationing of Russian Federation forces outside its territory. But, of course, this will be done only on the basis of appropriate international legal documents and with the consent of the states on whose territory our Armed Forces will be stationed.

In outlining the main directions for the development of Russia's cooperation with other countries in the military-technical sphere, the doctrine officially sets the relevant departments, the Foreign Ministry included, tasks which we effectively began to work on from the first months of 1992. On the one hand, there is a need to maintain the country's export potential in the sphere of conventional arms at the proper level, partly so the hard currency proceeds can be used for the needs of military production and for purposes of conversion. On the other hand, we cannot allow deliveries of arms and military equipment to lead to the spread of technology making it possible to create weapons of mass destruction and delivery systems for them, to the undermining of regional stability, or to the breaking of embargoes or other international accords to which Russia is a party.

The potential for strengthening mutual trust and developing cooperation with the NATO member countries, including within the framework of the North Atlantic Cooperation Council, is expanding substantially with the adoption of the military doctrine. This is a weighty and, most important, practical alternative to the idea of the faster expansion of NATO to bring in new members.

The fundamental shifts toward greater transparency and trust are shown, in particular, by the joint naval exercises which Russia has held recently with Norway, Kuwait, and NATO countries in the Baltic Sea. Joint exercises by the Russian and NATO navies in the Barents Sea are planned.

The adoption of the basic principles of the foreign policy concept and military doctrine marks an important milestone in the development of democratic Russia's political and military thought. They graphically reflect the profound changes in the life of our state and society. Free from ideological rhetoric and claims to superpower status, these documents are called upon to help form in the world an image of democratic Russia as a peace-loving state with natural national interests. Not regarding any state as its enemies, Russia is prepared to see as partners all states whose policy is not detrimental to its interests and does not contravene the UN Charter.

Only thus will we be able to reliably ensure the security of the motherland.

Cosmonauts Land Safely After Collision With Space Station

LD1401105194 Moscow *ITAR-TASS in English* 1007 GMT 14 Jan 94

[By *ITAR-TASS* correspondent Veronika Romanenkova]

[Text] Moscow January 14 TASS—The Soyuz TM-17 spaceship with cosmonauts Vasily Tsibliyev and Aleksandr Serebrov aboard safely landed, as planned, on Friday at 11 hr 18 min 20 sec, Moscow time, *ITAR-TASS* learnt at the press centre of the Russian Space-Military Forces.

The spaceship safely landed (despite a collision with the Mir space station reported by the Ostankino radio station) 215 kilometers west of the city of Karaganda, Kazakhstan.

The crew is planned to be brought to Moscow later in the day.

Economic Issues

Yeltsin Aide Advocates Change in Taxation Targets

PM1301152994 Moscow *ROSSIYSKAYA GAZETA in Russian* 13 Jan 94 First Edition p 3

[Unattributed report: "Ground Rent Instead of Profits Tax?"]

[Text] Petr Filippov, head of the presidential administration's analytical center for socioeconomic policy, supports the idea of fundamental reform of the tax system.

The idea was voiced by participants in an economic conference of scientific and business circles.

"I am in favor of switching to taxation of natural resources and using ground rent instead of stifling taxes on profits

and wages," P. Filippov said. However, some other proposals made during the conference "create a complex impression," he said. In particular, in P. Filippov's opinion, the proposal from one of the conference organizers, the economist Sergey Glazyev, for a "compulsory freeze on amortization payments" would ruin enterprises.

The head of the presidential administration's analytical center is also worried by the "talk about enforced vertical integration of industry." "We had this with ministries and departments. If we want to create viable financial and industrial complexes, they must develop from the mutual interests of the participants and not according to the will of state officials," he said.

Biggest Inflation Increase Since Sep Recorded

PM1301144594 Moscow *IZVESTIYA in Russian* 13 Jan 94 First Edition p 3

[Report by Irina Goryacheva of the Russian Federation Council of Ministers-Government Center for the Economic Situation: "Week's Inflation Highest Since Early September"]

[Text] According to the figures of the Russian Federation Council of Ministers-Government Center for the Economic Situation, over the past week the overall inflation index was 106.3 percent, the increase in prices and rates for paid services to the population overtook the increase in the cost of food and nonfood commodities, and the average cost of a selection of the 19 most important types of food was 32,400 rubles [R] calculated for a month, which is 5.4 percent higher than a week ago.

Over the period 27 December through 4 January inflation was 6.3 percent. Such a high level for a week's inflation has not been noted since the start of September 1993. Over the past week the greatest increase was for tariffs for paid services to the population—nearly 18 percent. Food increased 7.4 percent in cost while the smallest increase—2.4 percent—was for nonfood goods.

Last week differences in inflation rates for individual economic regions of Russia was 5 percentage points. The biggest inflation index was noted in the Central Chernozem region—108.7 percent. An equal level of inflation (6.8 percent) was recorded in the Central and West Siberian regions in which the biggest price increase was observed for paid services to the population—41 and 24 percent respectively. Inflation was lowest in the Far East region—3.7 percent.

Over the past week prices for basic foods increased 7.4 percent. A higher weekly increase in food prices was last noted only in early 1993. Over the past week eggs continued to increase in cost more than other foods observed—by 8.3 percent. Prices increased 6-7 percent for bread articles and dairy products and vegetables and 5 percent for meat products and fruit. Vodka increased in price most markedly—by nearly 20 percent. At the same time prices for sugar did not change over the week while fish products, vegetable oil, groats, and pasta became 2 percent more expensive.

Over the past week there has been a considerable increase in prices for food in unorganized trade—10.3 percent (6.7 percent in organized trade). Meat products increased most of all in price on the markets over the week—by 14 percent—after having increased in price more slowly over the past four months than prices for food as a whole. Over the week prices for dairy products and vegetables increased 11-12 percent and prices for fish products and flour increased 8 percent. In unorganized trade, prices for vegetable oil, sugar, groats, and pasta remained at virtually last week's level.

In the majority of economic regions prices for food goods at the markets increased more rapidly than in organized trade. The biggest differences were noted in the Central Chernozem and East Siberian regions.

The average cost of a selection of the 19 most important foods as of 4 January was R32,400 in monthly terms and increased 5.4 percent over the week. The cost of this election at organized trade prices was R30,500 (an increase of 3.4 percent over the week, R44,200 at unorganized trade prices (11.1 percent). The relationship between the prices in unorganized and organized trade was a factor of 1.4 times.

The gulf between the maximum and minimum cost of the selection in various cities of Russia increased to 3.9 times in early January.

The Far East region remains Russia's most expansive region (R57,700) and includes the most expensive cities—Magadan (79.9 percent), Yuzhno-Sakhalinsk (74.3 percent), and Vladivostok (73.1 percent)

Among the Russian cities the selection increased most in Saratov—25 percent. Over the past week wheat bread increased 150 percent, beef increased 40 percent, milk 30 percent, and butter and cheese 20 percent.

The cost of the selection of 19 of the most important foods in Moscow rose 4.5 percent over the week and as of 4 January was R36,200. In St. Petersburg over the past week the selection increased 2.7 percent in cost and was equal to R30,500. Moscow is 24th on the list of cities observed (a week ago it was 35th) while St. Petersburg ranks 67th (58th).

Differential Regional Economic Reform Urged

PM1301133394 Moscow ROSSIYSKAYA GAZETA in Russian 11 Jan 94 First Edition p 4

[A. Yevgenyev report under the "Regions" rubric: "Impoverished Regions Will Not Add to the Country's Wealth"]

[Text] That Russia needs a well-thought-out regional policy more than ever today is the conclusion drawn by specialists of the Institute of Experts of the Russian Union of Industrialists and Entrepreneurs in their report entitled "The Regions of Russia in the Transitional Period."

For some time now we have been unable to kick the bad habit of being wise after the event (remember the bitter

sobering up that occurred after the recent elections). The analysis put forward by Yevgeniy Yasin, Andrey Neshchadin, Andrey Grigoryev, and Mikhail Malyutin is an attempt to "seize the moment," to get to grips with the key problem of Russian reforms.

In the experts' opinion, there are now two objectively inevitable processes under way in Russia—decentralization and federalization. The crux of the former is the transfer of economic decisionmaking or, to be more precise, the sources of economic decisionmaking downward—from the organs of centralized planning and management of the command economy to the marketplace. It is our common misfortune that this process, which began under the influence of the democratization of the USSR, got stuck at the level of the republics and led to its disintegration. The process was actually simply incapable of penetrating further—to the lower, market level—at the time. Compared with the USSR, Russia is a more uniform country in geopolitical and national terms (83 percent of the population are Russians), and its market groundwork has been better prepared. That should, as it were, reassure those who see in its fate direct analogies with the great Soviet empire. The crux of the matter, however, is that even here, in the process of decentralization, a hiatus has occurred at regional level in the devolution of power. Enterprises are not yet able to operate in a new way while the center is no longer in a position to manage in the old way. As a result the regional authorities get involved in everything under the sun from regulating prices to privatization, from subsidizing the disadvantaged to the purchase and sale of goods and the organization of inter-oblast bartering. This situation will not last forever. The development of private trade, commodity and money markets, and a labor market will set everything to rights. What we must not do is hurry events along or demand the impossible but must let the process come to fruition.

But the temptation to call to order, to regulate, and to take the center to task is greater than ever today. The report examines two diametrically opposed economic management models—one in Nizhniy Novgorod, the other in Ulyanovsk. The first model is actively reformist, with the accent on privatization, the development of enterprise, deregulation of prices [svobodnoye tsenoobrazovaniye] prices, and a very open region. The second model largely sticks to the old-type structures and relationships. There they do not much welcome the private sector, they regulate prices, set quotas for the allocation of prime necessities, and ban the export of subsidized goods from the oblast. The upshot is that inhabitants of Ulyanovsk Oblast can acquire for their income twice the quantity of staple foodstuffs that the average inhabitant of Nizhniy Novgorod can, although, from the standpoint of the future, it is the Nizhniy Novgorod strategy, which promises to yield the greatest return. But it would be a very great mistake to order everyone to march in step! The Ulyanovsk authorities' tactics are dictated by the totality of the specific conditions that obtain there, conditions that are not reproduced countrywide, such as the oblast's self-sufficiency in food and the balance between the industrial and agrarian sectors. Moreover, in Ulyanovsk, as in

other regions where they regulate prices, inflation is no lower than where prices are free. No one, anyway, will be able to keep prices fixed. Of course, there is some injustice in all this: The inhabitants of Nizhny Novgorod are working not just for their own future but the future of the whole country; in Ulyanovsk they are seeking to squeeze the maximum out of what the Lord God has sent them and have created a command system. But this is the will of the regions, and it must not be ignored.

The other process, which we are experiencing, is federalization. That is to say, the formation of a system of institutions of power bound up with the transition from a unitary union state to a truly federal one. And that is impossible without a budgetary system. So long as Moscow determines how much tax someone must pay to the center, there will always be aggrieved people who think that their neighbors are eating them out of house and home. And there will consequently be grounds for separatism. A single-channel taxation system does not suit us, experts believe, and it leads toward confederation. The German option is the most acceptable: The center sets a single value-added tax and a single moderate rate of tax on profits payable to the federal exchequer while the local authorities have the opportunity to increase it to the benefit of the regional budget and also to set and collect any other taxes for their own exchequer.

That is what the theoreticians think, but the administrators? The Finance Ministry would seem not to be against. But another year has now elapsed and there is still no clarity. Until we sort out taxes, there will be no peace in our common home.

And yet structural reorganization is the most difficult task from the standpoint of the future. The authors of the report make an interesting observation. They started by trying to define what concepts of reform in general are feasible in Russia today. In the experts' opinion, there are three such options. The raw-materials option, placing reliance on the extractive sectors, whose output we could sell abroad. The conversion option, entailing the development of high-tech production and the restructuring of the military-industrial complex. And finally the third and, unlike the previous ones, self-contained option, geared toward the domestic market. Each of them has its own advantages and disadvantages. Something else is important: Depending on the structure of their economy, all the regions gravitate toward a particular concept of reforms. The authors of the report have done a simple thing: They have taken the results of the April referendum and examined to what extent the results depend on the coincidence of the center's reform line and the structure of the region. There turns out to be a very direct link. Politics is one thing, but it is the economy that feeds us. It is the economy that determines our political sympathies.

The resume will be brief: Russia is too big a country to adopt and maintain a single pure strategy of reforms. The strategy must be a mixed one, which takes account of the interests of Naryn and Kaliningrad. To press down obstinately upon a single lever while moving along such a

difficult, treacherous, and unpredictable path as the one we are trying to traverse is an ineffectual activity. And a dangerous one.

Government Economic Forecast for 1994 Highlighted

MK1301141094 Moscow *SEGODNYA* in Russian
13 Jan 94 p 2

[INTERFAX-SEGODNYA report under the "Expectations" rubric: "Government Forecasts Growth in Wages, Prices, and Unemployment in 1994"]

[Text] The Russian Federation Economy Ministry has prepared a report together with the State Statistics Committee "On the State of the Russian Economy in 1993 and the Prospects of its Development for 1994." The economic slump continued in 1993, the report says: GDP [gross domestic product] shrunk 12 percent compared with 1992, and the budget deficit was 7 percent.

Despite the slump in production, the report continues, the situation on the consumer market has improved. The supply of commodities has increased, and aggregate trade volume was up against 1992. Money incomes of the population grew 10 percent, while the share of food in household expenditures began to decline.

The nonstate sector of the economy is beginning to play a significant role in the market transformations, the ministry says. It employs over 40 percent of the country's working population. Municipal property privatization entered its final stage. By the end of 1993, the program of "small privatization" covered around 70 percent of trade, public catering, and consumer service enterprises. The process of switching to a single agricultural market has been under way. The formation of a two-tier banking system continued. Aside from the Central Bank, around 2,000 commercial banks operated in the sector. They accounted for 80 percent of the total volume of credits.

An important characteristic of the current economic situation in Russia, the report says, is the growth of the service sector as a share of GDP, a trend attributable to a stepped-up activity in the service and finance industries. In 1993, they accounted for around 42 percent in actual prices, whereas in 1992 their share was 33 percent.

The report says that the government's main objective in 1994 will be to continue moderately tight financial and monetary policies aimed at reducing the inflation rate and cutting the budget deficit. According to the authors of the report, the anti-inflation measures will make it possible to reduce the inflation index to 5-7 percent per month by year's end, or three times lower compared to the fourth quarter of 1993.

In 1994 nominal monthly wages will continue to rise and, according to the authors' forecasts, may reach 240,000 rubles [R], which amounts to a 4.1- to 4.2-fold increase against 1992. The ratio of nominal money incomes and

consumer prices will be 85-90 percent. The minimum pay, taking into account the subsistence minimum, will reach R50,000 plus by year's end.

It is expected, the report notes, that the volume of retail sales will stabilize in 1994 and the share of light industry production will increase. So will the share of paid services in the structure of consumer expenditures: up to 14-15 percent against 7.5 percent in 1993.

The authors see growing unemployment as a characteristic feature of 1994 caused by the slump in production and the restructuring of enterprises: the number of unemployed will rise to 7 million against 4 million in 1993, but only around 3 million people will be officially registered as such. By the end of 1994 unemployment is expected to rise to 5-6 percent.

The report predicts that the growth in retail and wholesale prices will slow steadily in 1994. Wholesale prices are expected to rise 3.6-fold by December 1994 compared with December 1992. The ruble's slide is also expected to slow down between twofold and threefold.

Further on 1994 Prospects

PM1401103194 Moscow ROSSIYSKIYE VESTI in Russian 12 Jan 94 pp 4-6

["Excerpts" from Economics Ministry forecast: "Industry-94. Possible Development Scenario"—from PRO-MYSHLENNAYA GAZETA section]

[Text] The Russian Federation Economics Ministry has prepared a forecast of socioeconomic development in the Russian Federation in 1994. We offer readers excerpts from the section on the main industrial sectors.

The crucial factor in industrial development in 1994 will be not so much the significant (60 percent) slowdown in the decline as the character of the specific tasks and problems occurring in the sectors in whose solution the state must be actively involved.

The main problems material production will encounter in 1994 can be split into three groups. The first is the group of general economic and financial problems that objectively exist and adversely affect practically all aspects of the economy. The second group of problems is associated with sector and product supply and demand discrepancies. The third group of problems is the problems of specific enterprises, coupled with regional peculiarities.

The first group certainly includes problems of nonpayments and lack of funds for development. In the Economics Ministry's opinion, the main ways of solving these problems might include paying off the state's debt and helping to pay off the CIS's debt. As of October 1993 this sum was of the order of 25 percent of the economy's debts. In view of the fact that it is estimated that the paying off of this part of the debt could have a threefold multiplication effect given the particular mechanism currently being prepared at the Economics Ministry, the problem of nonpayments could be resolved in principle.

The only way to solve the problems in the second and third groups is on the basis and within the framework of the implementation of a selective structural policy by finally putting into operation a mechanism for selecting enterprises either for support or for reorganization on the basis of the bankruptcy procedure.

Hitherto limited support funds have been allocated, often without any assessment of production efficiency, without their being combined with a financial clean-up and organizational and technological renewal of the production potential. Selective support for individual production facilities and projects must be implemented on the basis of a thorough analysis of the support recipients and in accordance with adopted federal programs.

In view of the limited financial resources, it is necessary to establish the principle of killing several birds with one stone. In other words, the task is to ensure that the selective identification of support recipients makes it possible to tackle problems that lie within the sphere of interests of several sectors or regions.

In 1994 there must be an active policy of reorganizing nonviable enterprises and inefficient production facilities, which are a major drain on the budget and are holding up structural transformations in the economy. A tougher credit and finance policy without appropriate changes in the institutional sphere, above all the absence of the practice of bankruptcies, will constantly exacerbate the problem of nonpayments, which will ultimately affect the level of industrial production.

More and more enterprises can be expected to adapt to the prevailing conditions in 1994, with the majority of enterprises being able to ensure the volume of sales that is required for their normal operation. But if uncompetitive enterprises do not cease operations, they will have to be maintained by the budget at the cost of an increased tax burden. Should this happen, there will be no movement of capital from inefficient to efficient producers, whose development will be held up.

The Fuel and Energy Complex

Production and extraction of fuel resources in 1994 is forecast to be 6 percent below the 1993 level.

Oil and gas condensate extraction in 1994 is estimated at 327 million tonnes, as opposed to 357 million tonnes in 1993 (taking extraction by joint ventures into account). But the rate of decline in oil extraction will total 8 percent in 1994, as opposed to 10.5 percent in 1993 and 14 percent in 1992.

It is only possible to prevent a decline in oil extraction and then stabilize it if development of new fields with total reserves of 6-8 billion tonnes is expedited.

In 1993 the Russian Federation Government exempted oil industry enterprises from paying import and export duties, and also granted concessions in the shape of an exemption from the mandatory sale of their foreign exchange earnings from oil exports so as to provide an incentive for work to develop new fields and bring dormant wells on stream.

Foreign firms have been involved in reworking wells. The concessions have been worth around R1.8 trillion to oil drilling enterprises. The rate of decline in oil extraction has slowed as a result.

It will be necessary to preserve existing measures of state support in 1994 in order to develop this trend in the oil extracting industry. It is also planned to leave up to 60 percent of the oil lifted from new wells in the hands of the sector so as to ensure that the funds raised from its sale are channeled into modernization, new construction work, and the development of new fields.

Supplies of crude oil to refineries in 1994 are forecast at 225-226 million tonnes (taking joint-venture and customer-supplied crude into account)—in other words, at close to the 1993 level. Production of light oil products will increase somewhat on last year's level, reaching 32.2 million tonnes for gasoline, 58.1 million tonnes for diesel, and 12.5 million tonnes for jet engine fuel.

The problem in developing the sector is the low utilization of Russia's refinery capacity for the primary processing of oil—refineries (not counting enterprises in Grozny) were operating at 72 percent of capacity in 1993. Yet certain enterprises are operating at a critical level of utilization.

With a view to enhancing efficiency in the refining of crude oil, a program has been drawn up to fundamentally modernize and upgrade Russia's oil refineries. During phase one of this program it is planned to increase the level of refining [glubina pererabotki] from 62 to 75 percent and to considerably improve the quality of petroleum products.

The gas industry, which has a reliable raw-material base for further development, will in the very near future be the only sector in the Russian Federation with the real potential to increase production of fuel and energy resources. Gas extraction in 1994 is expected to be 620 billion cubic meters.

But in recent years nonpayment by customers for gas used has resulted in a virtual halt in the construction and commissioning of new capacity in the sector owing to a lack of funds.

As of 1 October 1993 nonpayments for gas were running at R1,345 billion. Provided that the debts owed by the state and the CIS countries are cleared and that subsequent transactions with most customers are effected on this basis, the gas industry is capable of resolving the main issues of its development.

The government has made a decision to build a system of main gas pipelines from the gas fields of the Yamal Peninsula across Belarus and Poland to Europe. The commissioning of this system of gas pipelines will make it possible to sell Europe additional amounts of Russian gas (up to 65 billion cubic meters by the year 2010), to provide an alternative to the current monopoly corridor through Ukraine, and to guarantee that Russia's obligations to supply gas for export are complied with.

Coal extraction in 1994 is forecast at approximately 250 million tonnes, as against 300 million tonnes in 1993.

It is also expected that consumer demand will fall owing to the increased cost of the coal itself and higher transportation costs. Any further increase in prices could substantially reduce effective demand. Consequently, a considerable proportion of the actual requirement for coal—as a result of the severe climatic conditions over most Russian territory—might not be covered by effective demand.

The state of our coal mines is constantly deteriorating, and labor-intensive and dangerous mining is steadily on the increase. Out of 270 pits 60 percent have been mined for more than 20 years and have not been modernized during that period.

In order to solve the main problems facing the coal industry in 1994 it will be necessary to change the procedure for allocating subsidies, with a view to steering the bulk of the subsidies toward coal consumers—above all, rail transport.

In 1994 it will also be necessary to start solving the very complex problem of closing down pits and open cuts, which have no future. A list of 42 no longer viable pits and open cuts with a total capacity of 11.2 million tonnes of coal a year and a workforce of more than 48,000 industrial production personnel has now been drawn up.

Pit closures will require considerable expenditure on social, technical, and technological measures.

Electricity generation in 1994 is forecast at 910 billion kilowatt-hours, as against 945 billion kilowatt-hours in 1993. The power supply situation will remain difficult in a number of parts of Russia.

As in all fuel and energy complex sectors, the main problem in power generation is the inability of consumers to pay their debts.

Since 1992 there has been state regulation in the sector of electricity and thermal energy, which has made it possible in the context of the gradual deregulation of prices for fuel resources and free prices for other raw materials to set rates for electric and thermal energy through regional power commissions, taking account of the self-financing of power generating enterprises and not allowing unjustifiable costs to be included in the prime cost.

It is planned in 1994 to maintain state regulation of prices for electricity and thermal energy at two levels—the federal and regional levels—through the relevant power commissions.

Despite the shortage of investment funds, it is planned to commission around 700,000 kilowatts of new power generating capacity in 1994 at the Gusinozersk and Kharnorskaya State Regional Electric Power Stations [GRES] and at other installations in the Far East and Siberia.

R83.5 billion will be allocated from the federal budget as a priority in order to improve the safety of existing nuclear electric power stations [AES]. And construction of a number of research testbeds and installations will have to

be postponed owing to a shortage of funds. The commissioning of Power Unit No. 3 at the Kalinin AES and Power Unit No. 5 at the Kursk AES—each with a 1-megawatt capacity—will also have to be postponed to future years, as will commissioning of the first units at the Bureya, Boguchanskaya, and Irganayskaya Hydroelectric Power Stations.

Thus, a problem common to all fuel and energy complex sectors is nonpayment, and its solution will determine the prospects for the development and self-financing of the complex in 1994. The budget has suffered a shortfall of around R0.6 trillion due to nonpayments alone. And more than 90 percent of the consumers of fuel and energy resources are now in debt. Given the specifics of the functioning of the fuel and energy complex—the continuous nature of the production and consumption of fuel and energy resources, and the onset of the winter heating period, during which the possibility of enforcing restrictions on customers' access to energy resources declines substantially—the problem of the failure to pay fuel and energy complex enterprises for the energy resources they supply cannot be fully resolved.

At a time of limited budget appropriations the main sources for investment in 1994 will be enterprises' own funds and funds specifically geared to financial support for fuel and energy complex sectors. Appropriations from the federal budget in the coming year will be able to provide only 3-5 percent of the total volume of investments compared with 14 percent in 1993.

Metallurgy

In 1994, production of finished ferrous rolled metal will decrease by 1 million tonnes compared with 1993 and will total 42 million tonnes; the figures for the production of steel pipes will be 0.2 million tonnes and 5.8 million tonnes, respectively. Production will be 63 and 48 percent of total capacity, respectively. As the economy stabilizes, the demand for metal products will increase, which will require a larger volume of production.

For a long time the fixed capital replacement rate in metallurgy has been 0.9-1.2 percent, which is three to four times less than the proper technical and economic level. What this means is that more than 60 percent of steel and 50 percent of rolled metal is now being produced on obsolete equipment. The national economy loses \$3.5-4 billion annually as a result of the technical backwardness of Russian ferrous metallurgy and the consequent increased production costs.

As well as demand constraints on ferrous metallurgy products, there is the inhibiting factor of problems when it comes to supplying enterprises with refractories, which are the main construction materials for lining heating units, not only in metallurgy, but also in machine building, the construction materials and chemical industries, and defense and other sectors of industry. The production of refractories is being cut by 7 percent annually due to the depletion of existing deposits of magnesite and the delays in the commissioning of new mines. As a result the national economy's magnesite needs will be catered for in

1994 by import purchases. Supplies of imported powder will diminish as the production capacities at the Savinskoye deposit come on stream (beginning in 1995).

The production of the basic types of nonferrous metallurgy products is significantly affected by the foreign economic situation and also by the provision of raw materials, which is governed by the very slow development of the Russian mining base. Smelting of alumina is expected to remain steady, as in 1992 and 1993.

High production costs have meant that wholesale prices of such highly important types of nonferrous metals as lead, tin, aluminum, and nickel have already reached or exceeded world levels. If this trend continues and the ruble is stable against the U.S. dollar it could result in a loss of competitiveness and a reduction in exports and effective demand for these metals inside the country.

Given the demand constraints on certain types of nonferrous metals (titanium, magnesium, refined copper, zinc, and so on), a number of enterprises producing them are using free capacities and manpower to process customer-supplied raw materials from countries in nearby and faraway foreign parts.

Measures are envisaged for 1994 to give state support to a number of enterprises in the form of the allocation of quotas for the supply of nonferrous metals for export and concessionary export and import duties, which will make it possible to import the requisite raw materials and supplies for industrial engineering needs, as well as equipment to continue the reconstruction and retooling of the production potential.

In order to make fuller use of the metallurgical complex production facilities established on the territory of the former Union it is advisable to remove export duties from supplies to CIS countries of products produced under intrasector production-sharing arrangements, which will ensure the production of finished products on a mutually advantageous basis.

Since the critical state of raw material provision for the sector's enterprises due to the severe underdevelopment of the Russian mining base because of underinvestment remains the main problem facing the development of nonferrous metallurgy, it is necessary to approve the "Nonferrous Metallurgy Raw Material Base Development" program. The main sources of finance for the national program to retool and reconstruct the enterprises and also to develop the raw material base are enterprises' own funds (depreciation, profits), as well as the nonbudget-financed investment fund, which constitute 80.5 percent of the total value of essential investment resources. Around 11.5 percent of the money will come from export and import business concessions and foreign investments and only 8 percent is scheduled to come from centralized credits.

The Chemical, Petrochemical, and Microbiological Industry

In 1994, according to the projected estimate, output of chemical, petrochemical, and microbiological output will fall by 11 percent against the 1993 level.

The production of artificial fertilizers is by far the most responsive to demand constraints. The country has the capacity to produce roughly 20 million tonnes of artificial fertilizer. This is roughly the amount required according to biological norms for applying fertilizer to the soil. However, given the imbalances in the correlation between prices for agricultural produce and industrial items for the agricultural sector, even with state financial support for the agricultural sector the demand for artificial fertilizers, which developed in 1993 meant that between 8.3 and 8.5 million tonnes was produced.

Demand constraints for 1994 could intensify, and production of artificial fertilizers could drop to 6.3 million tonnes. At the same time, opportunities for exporting artificial fertilizers will be greatly restricted as their price is already creeping ahead of world prices.

The main reason for the high price of artificial fertilizers is the extremely low level at which production capacities are utilized (37 percent).

The way out of the existing situation must lie in the planned withdrawal of worn-out equipment and obsolete technology, a cut in the production of outdated products, and an increase in the output of more progressive types of fertilizers.

Previously highly specialized enterprises producing artificial fertilizers have started up production of products in constant demand on the market alongside the basic production commodity: polymer plumbing equipment, construction materials made from scrap, bricks, tiles, sports clothes, polymer items. In this way, the financial stability of enterprises is attained, new jobs are created, and problems in the social sector are resolved.

In the synthetic resins and plastics industry, proceeding from the projected demand, production of polystyrene, PVC, and chemical fibers and filaments will drop between 5 and 7 percent, and output of polyethylene and polypropylene, taking due account of the assimilation of new capacities, is set to stabilize at the 1993 level.

It should be noted that with the attainment of stability in the Russian economy the domestic market's capacity for chemical products will rise once again. Therefore, considering the huge inertia of fundamental major projects, it is essential, despite extremely limited finances, to implement measures for the selective state support of certain of the most important enterprises in the mining and chemical industry.

In 1994 the total output of medical supplies is forecast to be at the estimated 1993 level. This presupposes state financial support for producer-enterprises and consumers of medicines. This could be implemented by means of stopping subsidizing imports of medical supplies and channeling the released funds, worth R70 billion in 1994,

into maintaining health services and granting preferential medical help to the population (accounting for up to 90 percent of the funds), and into developing the national pharmaceutical industry (around 10 percent).

Moreover, it would be expedient to halve export and import duties incurred by enterprises in the medical supplies industry on exported products and purchased raw materials, semimanufactured goods, substances, materials, and equipment.

This would make it possible to stabilize the financial situation of enterprises in the sector and improve their provision with the material resources essential for the manufacture of drugs and items for medical purposes.

Machine Building

The situation in machine building in 1994 will substantially depend on investment activity and the possible reduction (elimination) of demand constraints on certain types of machines and equipment—primarily output for consumers such as agriculture, construction, freight and passenger transport, and the population (passenger cars). On the whole, the decline in output volumes at machine building complex enterprises is expected to be of the order of 5-7 percent as opposed to 11-12 percent in 1993.

Given the forecast demand, production of the most important types of machines and equipment supplied to vitally important sectors of industry and the national economy—equipment for the fuel and energy complex, diesel engines and diesel generators, AC electric motors, basic types of rolling stock for rail transport, and other types of equipment—is planned to be at or slightly below the 1993 level.

In the machine tool and tool making industry the strained situation with the sale of metalworking equipment and tools—primarily of the high-tech variety—will persist, as it did in 1993.

With a view to adapting machine tool making enterprises to market conditions, retaining their collectives, and making best use of their production potential, work is actively under way to convert them to the production of multipurpose equipment with manual control, as well as bench metal-cutting and wood processing machine tools that are in demand from small and commercial enterprises and from the population. Moreover, enterprises in this sector are assimilating production of products that are new to the machine tool and tool making industry. This is allowing them to retain their collectives and survive in market economy conditions. But the sector of the machine-tool and tool-making industry producing high-tech machinery and equipment may lose its scientific, production, and personnel potential without state investment support.

Demand constraints are having a particularly negative impact on the performance of enterprises in the subsector of tractor and agricultural machine building. As a result, production of marketable output in 1994 will fall 12 percent in comparison with 1993. Yet rural commodity producers are not refusing to take this equipment because they do not need it but because they lack the funds to pay

for it, in part because of their nonreceipt of funds for agricultural output consigned to the state.

In the automotive industry a complex situation is developing in terms of passenger car sales. The rise in prices and corresponding shrinkage of demand is not only the result of cost inflation in the industrial sectors that supply their products to car plants. In the automotive industry costs for which the vehicle builders themselves are responsible are extremely high.

But, taking account of the acuteness of the situation and the need to retain an automotive industry, which determines the development of many related sectors, and considering that excise duties are intended to apply mainly to high-profit output, levying this duty on enterprises that produce passenger cars should be abandoned from 1994.

The Defense Complex

A characteristic feature of the upcoming period of development is the implementation of targeted substantial structural transformations in sectors of the defense industry.

It is envisioned that by the beginning of 1995 the formation of a nucleus of specialized state enterprises to meet state needs in the defense and security field will be complete and a considerable proportion, primarily of enterprises undergoing conversion, will have made the transition to the conditions of a self-regulating open economy. It is estimated that by the end of 1994 state enterprises could account for a total of around 20 percent of the enterprises in defense sectors of industry.

In terms of the complex as a whole, the volume of marketable output in 1994 is predicted to be between 94 and 95 percent of the 1993 level, and civilian output's share of total defense complex output will increase by 3 percentage points.

The competitive mechanisms for state support for priority areas of conversion, which have been elaborated and are being implemented, are aimed at getting enterprises to choose for themselves the most effective ways to respecialize their production, to study demand, and to build economic links, including foreign economic links.

The Consumer Sector

The development trends, which have currently developed in the national economy and the measures being taken by the Russian Federation Government to stabilize it, ensure the further consolidation in 1994 of the structural shifts toward the preferential development of the consumer sector. Consumer goods production's share of total industrial output will rise to 23.8 percent in 1994 as against 23 percent in 1993.

In the manufacture of nonfood consumer goods there will be increasing signs in 1994 of the satisfaction of effective consumer demand for a number of the most important types of durables.

At the same time, given the growth of effective consumer demand and as a result of the stabilization of the population's real incomes combined with a decline in inflation rates, production of some cultural, everyday, and economic goods (particularly socially significant goods) can be expected to stay at the current year's level in 1994.

An increase in output for products produced in insufficient quantities is expected. These include food processors, microwave ovens, electric mincers, electric juicers of various capacities, food mixers, and others. An increase in production of compact monochrome television sets (there is a demand for affordable ones) is expected to result in a 4-percent increase in television output.

It is predicted that there will be an expansion of the range of commodities produced for farms, yards, and market gardens, including the production of a wide list of manual and power tools offering increased efficiency and intensified work.

Should it not prove possible to maintain effective consumer demand in 1994, only refrigerators and freezers can be expected to increase against the expected 1993 level. At the same time there could be a decline in production of washing machines and television sets. Strong competition from higher quality imports will most likely lead to a decline of around 20 percent in tape player and radio equipment production in comparison with 1993.

The prediction sees a 7-percent decline in light industry output in 1994 as against 21 percent in 1993. The decline in cotton, woolen, and linen fabric and footwear production will continue. Only silk fabrics, knitwear, and hosiery can expect to match the 1993 production level in 1994.

Conclusions

The problem for 1994 is to convert the general decline in production into a structural process initiating progressive structural changes. In 1994 Russian industry will face increasing competition from foreign products on both the domestic and the foreign market. By switching to prices at world levels while labor productivity is lower, the products of a considerable number of enterprises could prove uncompetitive on the domestic market, which would require the adoption of a number of protectionist measures with respect to the output of individual raw material sectors (ferrous metallurgy, the chemical and petrochemical industry, light industry) and the global task of raising output quality—particularly in processing sectors.

A preliminary analysis of the problems and the cited calculations for performance parameters in physical production give grounds for considering that the increasing trend among producers to aim to meet effective demand will make it possible in 1994:

- to ensure that most enterprises, on the basis of increased accuracy in identifying the scale of production, have the minimum output sales level necessary to function viably;
- to stop a whole number of enterprises operating on their previous institutional and technological basis

and to start redirecting capital from inefficient to efficient production processes;

- to ensure the development of new economic links—internal and external alike.

The pursuit of a consistent structural policy will require selective support for individual production facilities and projects and can be implemented only on the basis of in-depth analysis of recipients of the support in accordance with federal programs which are adopted (after prior expert examination).

The main "players" in structural restructuring in 1994 will be enterprises themselves. In the process many enterprises' structural policy could change and become more active with a view to securing the conditions for their own development, increasing competitiveness, and achieving economic growth.

At the same time the calculations show that in the sphere of physical production the skewed nature of the structure of production in our country, the temporary structural imbalances between supply and demand for a number of commodities, and the ensuing social problems necessitate the adoption of state decisions on:

- settling payment arrangements with CIS countries, particularly for energy resources;
- renewing the mineral and raw material base;
- overcoming the negative impact of transportation costs on the supply and demand equation;
- supporting industrial exports and protecting producers in our country in the context of an "open" economy and rising domestic prices (this applies particularly to light industry);
- supporting effective demand in the transportation and construction sectors and among the population.

Indicator	Unit of Measurement	1992	1993	1994
		Reported	Estimated	Predicted
Size of population	millions	148.3	148.1	147.9
GDP	percentage of (comparable prices) previous year	82	88	95
Industrial output—				
total		81.2	85	94
including:				
Electricity		96.6	94	99
Fuel industry		87.5	86	94
of which:				
oil extraction		84	86	91
oil refining		88.8	82	100
mgas industry		98.6	97	100
mcoal industry		102.2	92	84
Ferrous metallurgy		82.6	86	92
Nonferrous metallurgy		73.2	81	94
Chemical industry		74.7	80	89
Petrochemical industry		83.4	79	88
Machine building		85.1	87	94
Timber, woodworking, and pulp and paper industry		85.4	82	87
Construction materials industry				
industry		78	83	95
Light industry		73.6	79	93
Food industry		81.3	90	97

Federal Assembly

Shumeyko News Conference on Federation Council Work

LD1301173194 Moscow Radio Rossii Network in Russian 1400 GMT 13 Jan 94

[Text] Federation Council Chairman Vladimir Shumeyko met with journalists in the press house today. Our correspondent Yelena Kuznetsova reports.

[Kuznetsova] At the start of the news conference, Vladimir Shumeyko analyzed the difficult situation that developed on the second day of parliament, when they were just one

vote short of electing him chairman, and the way this situation changed by the third of work of the chamber.

[Begin Shumeyko recording] I would say this was a normal thing in a situation in which the chamber did not want confrontation of any kind among political groupings or factions. Nevertheless, there were people who hold pretty much polarized views over what is happening in the state right now. On the one hand you have the prevailing concept that we have to get parliament all working together. But many people think that in order to achieve this it is necessary to elect a leader who shares their political views. And gradually yesterday's voting showed this; it was natural that in the first instance everything should move apart.

Subsequently, an analysis of the situation overnight showed that if they continued in that direction no single group would gain more votes and the split would continue. This would eventually lead to mutual insults and so on.

The situation today showed that in fact common sense prevailed. [end recording]

[Kuznetsova] In response to a question about what should be avoided in the chamber's work, the Federation Council chairman said he will try to avoid behind-the-scenes intrigues and he hopes that there will be no factional activity in parliament.

Asked about possible cooperation with Vladimir Zhirinovskiy should the latter be elected speaker of the State Duma, Vladimir Shumeyko said quite unambiguously that he is obliged to cooperate since the law exists, regardless of one's attitude to one's partner.

Speaking of the Federation Council's obligation to ratify major international agreements, Vladimir Shumeyko said:

[Begin Shumeyko recording] If we are to speak about treaties, then we really are faced with complicated tasks. And here I would express solidarity first of all with the statement made by Foreign Minister Kozyrev, who said quite clearly that the West should stop moralizing and preaching at Russia. Russia is not a state that needs to be told what to do and so on. That is one thing. Another thing is that one of Russia's main priorities should be concern for the interests of what is referred to today as the Russian-speaking population. [end recording]

[Kuznetsova] Replying to a question about the appearance of a tough Communist opposition within the Federation Council, Vladimir Shumeyko named 12 people from various communist parties and noted the existence of quite a large group who share this ideology. Much will depend on which deputies are elected by the chamber. It is precisely this question that will be the main focus of the Federation Council's work on 14 January.

Denies He May Be Like Khasbulatov

LD1301173794 Moscow ITAR-TASS in English 1619
GMT 13 Jan 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow January 13 TASS—Vladimir Shumeyko who was elected the speaker of the Federation Council, the upper chamber of the Russian parliament, denied the possibility that he may with time become an arch rival of President Boris Yeltsin like it happened with former Parliament Speaker Ruslan Khasbulatov.

"It is hardly possible that our relations will be difficult. Boris Yeltsin and I share the same point of view", he said adding that they both stand for the strengthening of the presidency in Russia.

Khasbulatov was a staunch supporter of Yeltsin before 1991 Soviet coup, but turned rival when Yeltsin began his market reforms in the country.

Shumeyko said his main task in the Federation Council will be to rule out "hidden intrigues, shady deals and agreements between factions" of the upper chamber.

He added that the Council of the Federation may bypass the State Duma, which is the main legislative chamber, in case the latter works "unconstructively".

"It is possible, in cooperation with those deputies of the State Duma who really want to do something, to draft lawbills in joint commissions and committees and adopt them right here (in the federation council)", Shumeyko explained, but added that this may be done only in "extreme situations" and in case of a "tough necessity".

Shumeyko said his election to the post of the speaker was the "triumph of commonsense". He succeeded to win the post only in three attempts and encountered a tough competition from his conservative rival Petr Romanov.

Shumeyko will most evidently lose his job of the first deputy prime minister and, according to a draft resolution of the chamber, will only be paid the same salary by the government for two years.

Shumeyko Election Result of Administration Pressure

PM1401122794 Moscow IZVESTIYA in Russian
14 Jan 94 First Edition p 1

[Valeriy Vyzhutovich report: "Vladimir Shumeyko Elected Chairman of the Federation Council. His Victory Was Finally Ensured by Two Votes, But What Votes They Were!"]

[Text] In the latest round of voting held 13 January Vladimir Shumeyko polled 98 votes and was thus finally elected chairman of the Federation Council. Petr Romanov got 52 votes, Kirsan Ilyumzhinov seven, and Eduard Rossel six.

Federation Council deputies were candid and forthright about the reasons for Vladimir Shumeyko's surprise failure to win in the second round of voting, in which he dropped four votes, when they spoke about it the next day, 13 January. They recalled the wire that North Ossetia leader Akhsarbek Galazov, absent from the session, had sent in Shumeyko's support but which he addressed not to the Federation Council but to President Yeltsin and to the

actual contender for this prestigious post. In the opinion of Viktor Stepanov, chairman of the Karelia Supreme Soviet, Shumeyko made a tactical mistake: "He should have refused that vote, but he said nothing." Aman Tuleyev, former chairman of the Kemerovo Oblast Soviet, was even more forthright: "It was a shoddy affair. People in the president's team do not balk at pressuring deputies whenever they get the opportunity."

Meanwhile, the attempts to tilt the balance of voting in favor of the president's protege continued on the morning of 13 January. According to confidential information, Eduard Rossel received an offer from the prime minister's messengers of the post of first deputy speaker if he persuaded his supporters to vote for Vladimir Shumeyko. The offer was rejected. A little earlier, at 0830, Viktor Chernomyrdin called the heads of administration to see him and, probably in exchange for a pledge of additional credits, investments, tax concessions, and so forth, obtained their "understanding" and "surety" by clearly indicating which of the candidates they should vote for. Finally that morning, before the latest nominations began, First Vice Premier Oleg Soskovets went to the building on Bolshaya Dmitrovskaya Ulitsa where he "consulted" with powerful representatives of the industrial directors' lobby.

Such very close attention paid by the top men in the government to the course of the campaign for the speakership of the upper chamber was due not only to a desire to ensure that their man got the job (although that was the prime reason) but also to the sudden appearance on the political horizon of the figure of Petr Romanov, general director of the "Yenisey" Petrochemical Combine, who publicly confirmed his adherence to Sterligov's Russian National Assembly.

Be that as it may, the president and head of the government now have the man they wanted as chairman of the Federation Council. And the senators dependent on the executive have gotten the man that the president and the prime minister wanted.

Shumeyko Seen Facing Dilemma in New Position

MK1401105094 Moscow NEZAVISIMAYA GAZETA in Russian 14 Jan 94 p 1

[Anna Ostapchuk report under the general headline: "Shumeyko Comes to the Surface in Federation Council Under President-Government Lobby's Pressure"]

[Text] The 98 votes garnered by Shumeyko reflect with mathematical precision nothing else but the official status of the senators: 65 heads of administrations of Federation components, 11 members of the president's staff, and 15 members of the government staff, as well as 15 lower-level regional leaders. Only two persons who voted for Shumeyko do not belong in this apparat-administrative team.

In the meantime, commenting on the results of voting in a conversation with your NEZAVISIMAYA GAZETA correspondent, Yegor Stroyev, head of the Orel Oblast administration and member of the Federation Council, remarked that "the senators have made a "Solomonic decision."

They offered no cause for a standoff between the Federation Council and the president. But today, to make the Federation Council efficient, Shumeyko should propose members of the opposition as his deputies. He, in fact, will have to solve the dilemma: disobedient deputies versus an obedient house or vice versa."

Five Candidates for Federation Council Deputy Chairman

LD1401091394 Moscow ITAR-TASS World Service in Russian 0749 GMT 14 Jan 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 14 Jan—Today's session of the Federation Council of the Russian Federal Assembly has started with discussion of the candidates for the posts of deputy chairman of the upper chamber of parliament. Vladimir Shumeyko, speaker of the Federation Council, has presented five candidates from whom the members of the Federation Council are to elect three deputies, including one first deputy.

The candidates are Ramazan Abdulatipov, first deputy chairman of the State Committee of the Federation; Petr Romanov, general director of the "Yenisey" concern; Valeryan Viktorov, chairman of the Council of Ministers of Chuvashia; Aleksandr Kovalev, head of administration of Voronezh Oblast; and Bolot Ayushev, who is temporarily not working.

Federation Council Elects 2 Deputy Chairmen

LD1401113894 Moscow ITAR-TASS World Service in Russian 1104 GMT 14 Jan 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow, 14 January—Two deputy chairmen of the upper chamber of parliament were elected today at a session of the Federation Council of the Russian Federal Assembly. They were Ramazan Abdulatipov, first deputy minister for nationalities affairs and regional policy, and Valeryan Viktorov, chairman of the Chuvash republic Council of Ministers.

A third deputy speaker was not elected because neither of the two nominees for this post—Petr Romanov, general director of the "Yenisey" association, and Aleksandr Kovalev, head of the administration of Voronezh Oblast—succeeded in acquiring the required majority of votes. As proposed by Federation Council Chairman Viktor Shumeyko, the elections for the third deputy were held over until the next meeting of the chamber.

The Federation Council is now debating the question of forming parliamentary committees. Work is proceeding in a calm and businesslike manner.

Backgrounds of Federation Council Members Analyzed

PM1301160794 Moscow ROSSIYSKIYE VESTI in Russian 13 Jan 94 p 1

[Dmitriy Orlov report: "Who Is the Russian Senator? The Federation Council in Figures"]

[Text] Like the upper chamber in the parliament of the Russian Empire (the State Council), the Federation Council is characterized by greater conservatism than the State Duma—naturally so, of course. The typical Russian senator is a man (95.3 percent) and a nonparty person (84.8 percent), aged between 40 and 50. Akhsarbek Galazov, chairman of the Supreme Soviet of the Republic of North Ossetia, and Yuriy Chernichenko, writer and leader of the Peasant Party, which is part of the Russia's Choice bloc, (both born in 1929) can lay claim to the title of the oldest members of the Federation Council, while the youngest is Sergey Levitan, president of the "Nostromo" concern (born in 1963).

Representation of the electoral associations and other political organizations in the Federation Council is very limited: Just 26 Council members (15.2 percent) indicated membership of them. The undoubted leaders in this respect are the Communist Party of the Russian Federation (10 seats) and the Russia's Choice bloc (eight Federation Council members). The Agrarian Party of Russia, the Party of Russian Unity and Accord, the Russian Movement for Democratic Reforms, the Labor Party, the All-Russia "Renewal" Union, and the Constitutional-Democratic Party (Party of People's Freedom), the Union of Communists of Karelia, and the "Peoples' Co-creativity in the Name of Life" association, which are little known to the voter, each got one deputy into the upper chamber of parliament. It seems that for the majority of "party" senators, as distinct from State Duma members, membership of a particular pressure group is secondary and unimportant.

The largest group of members of the Federal Assembly's Federation Council is made up of heads of executive and representative power in the components of the Federation. Presidents, council of ministers chairmen, administration heads, and governors make up 34.5 percent of the Federation Council (59 people). It is noteworthy that in a number of components of the Federation two representatives of the top executive power were elected simultaneously to the Federation Council—such as, for example, Kabardino-Balkaria, where both the president and the prime minister became members of the upper chamber of parliament (in this case we have placed the prime minister in another category—that of representatives of the local executive and legislative power). Heads of soviets are represented considerably more modestly—19 people, or 11.1 percent. Members of the Russian Government, employees of the federal executive, representatives of the president, and representatives of components of the Federation under the president make up just 5.8 percent of the Federation Council (10 people). This enables us to speak of

the Federation Council as an organ representing the executive and local elites. The total number of "senators" in the categories we have enumerated is close to a qualified majority (64.3 percent). The main thing in doubt is the capacity for work of this section of the Federation Council and the possibility, if only purely technical, of blocking State Duma decisions with which a majority of Federation Council members disagree.

Precisely 23 entrepreneurs were elected to the Federation Council (13.5 percent). Their composition is substantially different from those elected to the State Duma—they are, as a rule, leaders of major joint-stock companies and top managers of giant state enterprises like Sergey Korepanov, director of an office of the "Gazprom" Russian Joint-Stock Company. The Federation Council does not have many jurists who were professionally engaged in jurisprudence at the time they were elected; in fact there are five (2.9 percent). There is the same number of higher educational institution principals and lecturers. There are three journalists in the upper chamber of parliament (1.8 percent)—as distinct from the State Duma, they are not mainly party publicists but editors and creative employees of popular local newspapers.

To judge from the initial characteristics of the membership, one of the main tasks of the Russian Federation Federal Assembly's Federation Council will be to coordinate widely understood local interests. I would like to hope that the Federation Council members, Russia's senators, will proceed from Russia's national interests in their approach to assessing the State Duma's draft laws.

Shakhrai Refuses To Run for Speaker of State Duma

LD1301174194 Moscow ITAR-TASS in English 1630 GMT 13 Jan 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow January 13 TASS—Sergey Shakhrai, the leader of the Party of Russian Unity and Accord who had long before elections said he would run for the speaker of the state Duma, refused to join the race on Thursday [13 January].

He told lawmakers that he is quitting the race in favour of Vladimir Medvedev nominated by independent deputies.

"An independent candidate should be preferred in order not push the Duma into a deadend", Shakhrai said.

Hard-Line Deputy Likely To Win

LD1301184894 Moscow ITAR-TASS in English 1730 GMT 13 Jan 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow January 13 TASS—A hard-line lawmaker from the Agrarian Party, who was a leader of the Communist faction of the disbanded Russian Supreme Soviet, is most likely to become the speaker of the state Duma, the lower house of the Russian parliament.

Ivan Rybkin got 233 votes during a so-called "rating vote" on Thursday which is far above the majority of the Duma. Yuriy Vlasov, another conservative lawmaker, was second with 200 votes.

Rybkin's success should be attributed also to a representative of the communist party, Valentin Kovalev, who withdrew his candidacy in favour of Rybkin just before the vote.

The winner will be determined on Friday morning when the deputies would elect one of the two lawmakers.

Two Remain in Running

LD1301204194 Moscow ITAR-TASS World Service in Russian 1805 GMT 13 Jan 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] MOSCOW, 13 January—Deputies of the lower house of the Federal Assembly have decided to hold a secret vote, using ballot papers, for the post of chairman of the State Duma tomorrow, 14 January, in the morning.

Following a rating vote, the highest number of votes among the candidates for this post was obtained by Ivan Rybkin from the Agrarian Party faction and Yuriy Vlasov from the "Russian Path" group of deputies. One of them will thus be elected to this post.

Rybkin Elected Chairman

LD1401114494 Moscow Mayak Radio Network in Russian 1100 GMT 14 Jan 94

[Text] The Tellers Commission has just taken the rostrum and announced the respective votes. There were two candidates, I'd like to remind you—Yuriy Petrovich Vlasov and Ivan Petrovich Rybkin—and the vote went the following way: for Vlasov—23 deputies for and 311 against; for Rybkin—223 for and 101 against. So Ivan Petrovich Rybkin, representing the Agrarian Party, is elected chairman of the State Duma with one vote over the minimum. He needed 222 votes and got 223, so he has been elected.

But there is some discussion at the moment about one ballot being disputed, but it's difficult to say while this discussion is going on. So far, however, the news is that Rybkin, Ivan Petrovich, representative of the Agrarian Party, has been elected chairman of the State Duma. Thank you.

Rybkin To Work for Consensus

LD1401120994 Moscow ITAR-TASS World Service in Russian 1127 GMT 14 Jan 94

[By ITAR-TASS parliamentary correspondent]

[Text] Moscow, 14 Jan—The State Duma, the Federal Assembly's lower chamber, has elected engineer Ivan Rybkin, 47, to the post of its speaker. He was put forward

by the Russian Agrarian Party. He was the leader of the Communist faction in the former Russian Parliament, the Supreme Soviet.

In an exclusive interview for an ITAR-TASS correspondent, Ivan Rybkin said that his position is to work in the lower chamber of Parliament "for consensus, cooperation, and for the interests of all groups and factions of deputies to be taken into account as much as possible." The State Duma speaker intends to focus particularly on defending minority rights. "Not infrequently in our bitter Russian history has it been the case that it is precisely the minority that turns out to be right," stressed Ivan Rybkin.

He said he will strive to cooperate with the president and the Government "within the constitutional framework," as he put it, and naturally maintain firm ties to the upper chamber of the parliament—the Federation Council—"on a principled and partner-like basis."

Asked whether his political sympathies would affect his conduct in the Duma, Ivan Rybkin said: "I think not."

State Duma Defines Speaker's Powers

LD1301202194 Moscow INTERFAX in English 1812 GMT 13 Jan 94

[Text] The State Duma, the lower house of Russia's new parliament, has approved interim house rules on the powers of its Speaker.

The Speaker is responsible for house proceedings and routine preparation of questions for debate and for representing the Duma in relations with the President, federal and regional bodies, as well as with parliaments of other countries and inter-parliamentary groups.

He also represents the House in any conciliatory procedure envisaged by the country's constitution.

The House rejected a proposal from Kiril Ignatyev of the Russia's Choice faction calling to delete a clause on the Speaker's function of preparing questions for debate.

The Duma has also reached agreement on how to elect Speaker of the House. The deputies rejected the option of a secret ballot, settling for the Council of Factions' proposal for two rounds of voting to be held instead.

The names of two candidates who enlist more support than others in a straw vote will next be put forward for a secret ballot.

The Duma has now begun nominating candidates for the post.

Zhirinovskiy Claims Automatic Right to Official Post

LD1301192994 Moscow INTERFAX in English 1812 GMT 13 Jan 94

[Text] Leader of the Liberal Democratic Party [LDP] Vladimir Zhirinovskiy, in a speech to the State Duma during the presentation of candidates for the post of House Speaker, said that in all countries, the party winning a

majority vote was automatically entitled to form a new government or to the post of parliamentary leader.

Zhirinovskiy said his recent tour of Europe "gave the jitters to the whole of the continent, diplomats and politicians alike" who were ready to part with billions of dollars to fulfill all conditions so that Russia could follow the path it opted for on December 12.

In reply to an earlier proposal from deputy Viktor Mironov that all candidates for the post of Speaker undergo a psychiatric test, Zhirinovskiy promised that all of the deputies would undergo one with the help of his security services. He said he would obtain all evidence of "who is suffering from what and for how long." The LDP leader said he did not think himself fit for a dispatcher's role and would await a new election instead.

In reply to an uproar in the house, Zhirinovskiy shouted "Shut up."

Addressing members of the Russia's Choice [RC] faction, the LDP leader said their time was up and now was the time for his party. "You are 30 percent behind us now, the gap will increase to 60 percent in spring and 90 percent in autumn," he told RC members. Zhirinovskiy said the presence of Gaydar, Kozyrev, Chubays and Fedorov in the government was having an adverse effect on his health and that he would temporarily opt out of the bout for the post of Speaker, biding his time until presidential elections in 1996.

In reply to Vice Premier Anatoliy Chubays' gesture to the chairman indicating that Zhirinovskiy's time was up, the LDP leader shouted from the rostrum: "You will be pointing to your watch at Lefortovo prison!"

Lawmaker Punches Zhirinovskiy at Lunch

LD1401141994 Moscow ITAR-TASS in English 1328 GMT 14 Jan 94

[By ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow January 14 TASS—Russian Nationalist Leader Vladimir Zhirinovskiy quarrelled with lawmaker Mark Goryachev in the dining room during the lunch break in the Duma session on Friday and received a blow in the face, eye witnesses told TASS.

They said the quarrel emerged when one of the two Duma members wanted to jump the line for food, but could not say exactly whether it was Zhirinovskiy or Goryachev.

Anyway Goryachev, a prominent businessmen from St. Petersburg, hit Zhirinovskiy in the face leaving a bleeding scratch on it.

Police were called in and doctors rendered first aid to Zhirinovskiy.

The Russian Nationalist leader promised that Goryachev will be the first to get jailed in the notorious Lefortovo Prison, which used to belong to the KGB. Zhirinovskiy, evidently meant this would happen when he becomes the Russian president of which he is dreaming.

However, Goryachev is not the first man to receive such a threat from Zhirinovskiy. Right after the December 12 elections Zhirinovskiy promised the same fate to Genadiy khazanov, a famous comic who often mocks him. Khazanov responded by appearing in a show dressed as a convict with the number "001" sign on his shirt.

This is not the first case that Zhirinovskiy got beaten up. Before December elections bodyguards of popular singer Sofi Rotaru beat him up at a concert.

Yavlinskiy Sees Duma's Role as Constituent Assembly

PM1301153694 Moscow SOVETSKAYA ROSSIYA in Russian 13 Jan 94 p 2

[Interview with Grigoriy Yavlinskiy, leader of the Yavlinskiy-Boldyrev-Lukin bloc, by Nadezhda Garifullina in Moscow; date not given; carried under the general heading "We Have a Chance. Let's Fight!"]

[Text] "In someone's pocket," "unfit for work"—all kinds of descriptions, mainly unflattering, were being applied, long before the session, to the lower chamber of the new parliament, for which politicians and political scientists are not predicting a long life. What do the deputies themselves think? In the break I approached Grigoriy Yavlinskiy, leader of the "Yabloko" [Yavlinskiy-Boldyrev-Lukin] bloc. It was a mystery to me why Grigoriy Alekseyevich had decided to run for the Duma at all, and so I asked him:

Do you believe that parliamentarianism is possible in Russia, after the shootout at the Supreme Soviet?

[Yavlinskiy] First, I think it is necessary, and as for whether it is possible or not, let us try once again to find out in practice. Second, after the situation we found ourselves in after 3-4 October, there was simply no alternative to holding elections—in any form, even with all the shortcomings, which, of course, we knew about. Third, the Duma will have done its job if it acts as a Constituent Assembly, and that is its main mission. It must approve two things that are fundamental for Russia: electoral laws and an electoral code, and it simply must prepare Russia for elections of a real parliament and a president, and for elections of local organs of power. This is essential.

[Garifullina] And how long will the Duma be able to exist? Is it possible that a conflict could break out between the new parliament and the president?

[Yavlinskiy] One would wish to avoid that. But the fact is that the Constitution today is structured in such a way that the president possesses full power. Therefore the Duma apparently has virtually no areas where it overlaps with the president. But at the same time the president bears full responsibility for what happens in the country. The Duma was elected for a short term—only two years. Well, I don't know.... I would not wish to make pessimistic predictions. But if you think that after it is dissolved the next Duma will be better, I have grave doubts of that.

The majority of my voters did not participate in the vote, because the attitude to the elections themselves was negative, people did not have confidence in how they were organized, how they were called, how they were conducted, who supervised them. That was inevitable: When an authoritarian regime holds elections, it holds them in order to strengthen itself. But this is our road and we must follow it. We have a chance. Let's fight!

Details of State Duma Factions Given

LD1301153894 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] By 13:00 on January 13, seven factions had been registered in the State Duma. One more faction - the Communist Party of the Russian Federation - appealed for registration, head of the State Duma's temporary secretariat Sergey Stankevich told the State Duma.

He also announced that one group of deputies - the New Regional Policy - had been registered (see the 12:30 news bulletin for details).

Stankevich presented information about the number of deputies in the registered associations (as of 13:00).

Russia's Choice, led by Vice Premier Yegor Gaydar - 75 members;

The New Regional Policy, led by Vladimir Medvedyev - 65 members;

The faction of the Liberal-Democratic Party, led by Vladimir Zhirinovskiy - 63 members;

The Agrarian Party faction (Mikhail Lapshin) - 55 members;

The Communist Party faction (Gennadiy Zyuganov) - 45 members;

The Party of Russian Unity and Concord (Sergey Shakhrai) - 30 members;

The faction of the Yavlinsky-Boldyrev-Lukin bloc (Grigoriy Yavlinskiy) - 25 members;

Women of Russia (Yekaterina Lakhova) - 23 members;

The faction of the Democratic Party of Russia (Nikolay Travkin) - 15 members.

Stankevich noted, however, that those figures were not final because deputies continued to apply for membership in the State Duma factions.

Highlights of 1st State Duma Deputies Group

LD1301160994 Moscow ITAR-TASS in English 1413 GMT 13 Jan 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow January 13 TASS—The first deputies' group has been registered in the State Duma along with the nine party factions, under the name, "New Regional Politics". Chairman of the Oil-Workers Union Vladimir

Medvedev is the leader of this group in the lower chamber of the newly elected Russian parliament.

Yuriy Voevoda told ITAR-TASS that the group has 65 members. It consists mainly of representatives of industrial circles with Medvedev at their head. Former Secretary of the Central Committee of the Soviet Communist Party Aleksandr Dzasokhov, who gathered around himself regional representatives, including those from the North Caucasus, added another twenty or so members to the group.

So far the group's members are united by the slogan, "Strong regions - a strong federation". But many of the deputies interpret this phrase, first voiced by Boris Yeltsin, in different ways. Some of the deputies think it is their duty to force the reduction of the percentage of overall income transferred by local governments to the center down to thirty per cent.

Voevoda and his allies think that the regions should use their own resources to solve their internal problems, perhaps by attracting funds from the international community. The districts who have free economic zones on their territory, like the Kaliningrad region and in the Far East, see this option as being a possibility for their own areas.

It is obvious that State Duma deputies are going to lobby the parliament for the interests of their home districts. Voevoda, for example, intends to use the support of his deputies' group to enact a law declaring a special status for the Kaliningrad region, so that the region can become "an object of international law for the resolution of all its problems without asking the centre for permission". The Kaliningrad region's difficult location, which is territorially cut off from Russia proper, makes it necessary for it to develop its own independent policies concerning the surrounding states in order to establish optimal border, transport, and energy systems, Voevoda asserted.

He said that part of the deputies' group intend to have another look at specific articles of the federal treaty and will push to make that document an integral part of the Russian Constitution.

The "New Regional Politics" group can be classified as centrist. Therefore, the "regionalists'" position will have the power to seriously influence the adoption of decisions in the parliament, depending on whether the group aligns itself with the "left" or the "right" blocs on any given question.

State Duma Deputies Establish 'Union of December 12'

LD1301194494 Moscow INTERFAX in English 1413 GMT 13 Jan 94

[Text] Up to 23 deputies of the State Duma are to set up a group named the Union of December 12, the Economic Freedom Party's Secretary-General Irina Khakamada told Interfax. Khakamada was elected this group's co-chairperson on Thursday.

The other co-chairpersons are member of the Moscow government Aleksandr Braginskiy and an entrepreneur from Nizhniy Novgorod Yevgeniy Bushmin.

To quote Khakamada, the Union of December 12 consists of lawyers, entrepreneurs and economists. It will not join any of the political factions.

She expressed hope that during the next three weeks the group will have 35 members which is sufficient for being registered.

Russia's Choice Has Largest Faction in State Duma

LD1301201094 Moscow ITAR-TASS World Service in Russian 1605 GMT 13 Jan 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow, 13 Jan (TASS)—Russia's Choice is the largest faction in the State Duma. It has 76 deputies. The new regional policy group that was the first to be registered has 65 deputies. The Liberal Democratic Party earned 63 seats in parliament, the Agrarian Party 55, the Communist Party 45.

There are four smaller parliamentary factions: The groups of the Party of Russian Unity and Accord with 30 seats; the Yabloko Party with 25 seats; the Women of Russia with 23 seats; and the Democratic Party of Russia with 15 seats.

The preliminary alignment of political forces in the State Duma indicates that communists, agrarians, and members of Zhirinovskiy's party have a total of 163 seats and are short of a parliamentary majority. The new regional policy group is likely to become influential in the lower chamber of parliament. Its composition, mostly centrists, are likely to consolidate the positions now of the right wing, now of the left. Many factions are likely to compete for friendship with this powerful group, which includes major industrialists and regional leaders elected in one-seat constituencies.

State Duma Seat To Be Built on Kutuzovskiy Prospekt

MK1401111094 Moscow MOSKOVSKIY KOMSOMOLET in Russian 14 Jan 94 p 1

[Anastasiya Kasyanikova report: "Where Will the Duma—Thought, in Russian—Think Its Thought? Cherry Orchard-94"]

[Text] In 18 months or so Kutuzovskiy Prospekt will be transformed from a government highway into a sort of Capitol Hill. Yesterday, a government commission decided at its meeting on where to build a new State Duma building.

Apparently, this is the final decision. It turned out that the question has been under discussion, without too much publicity, for as long as two months. From the outset there have been two proposals. The first option was to split the government complex into two parts. The residential part

was to be built on the outskirts of the White House, and the office building at the "Krasnaya Presnya" stadium. Apart from the fact that the area is cramped for space, which embarrasses both the customers and the builders, the Duma's proximity to the U.S. Embassy does not suit the special services. They were not embarrassed, though, when the White House was built, nor did they have any doubts about moving the government there.

The second option, however, suited everyone—it gives room for frolicking. Over 20 hectares between Kutuzovskiy Prospekt and the Belarusian railway line will turn into a construction site for the future parliamentary center. The complex of buildings itself will be erected right in front of the Arch of Triumph. Deputies will also be able to run to the Borodino Panorama [exhibition of war against Napoleon] during breaks between meetings.

Four years ago, a Foreign Ministry complex, nicknamed Shevardnadze's congress center, was nearly built on that same spot. A competition of blueprints was even conducted. But it fell through.... This time, the commission will be very meticulous in studying new blueprints. The thirst for civilization is so great that there are already plans to send messengers to Brussels, Strasbourg, and Bonn soon to study Europe's best parliamentary architecture.

'New Regional Policy' Fills Civic Union Slot

PM1401114994 Moscow IZVESTIYA in Russian 14 Jan 94 First Edition p 2

[Sergey Chugayev report: "State Duma: Two Sensations in Half an Hour—New Deputies' Group Overtakes Liberal Democrats. The Leader of the Communist Faction Is Not Zyuganov, But Lapshin"]

[Text] The Duma's first sitting 13 January lasted a total of 30 minutes. For purely technical reasons. First the electronic voting system broke down, and then the requisite documents were found not to be ready.

Nevertheless, two sensational developments occurred in those 30 minutes: The "New Regional Policy" deputies' group, set up 12 January, has overtaken the LDPR [Liberal Democratic Party of Russia] in terms of numbers, becoming the largest deputies' association in the Duma after "Russia's Choice."

On the whole then, the deputies divided up as follows:

- The "Democratic Party of Russia" faction—15 members;
- the "Women of Russia" faction—23 members;
- the LDPR faction—63 members;
- Yavlinskiy's faction—25 members;
- "Russia's Choice"—76 members;
- the PRES [Party of Russian Unity and Accord]—30 members;
- the Agrarian Party of Russia—55 members;
- the Communist faction—45 members; and
- the "New Regional Policy" deputies' group—65 members.

An ITAR-TASS correspondent learned the names of the leaders of the State Duma factions from deputies in the lower chamber.

Vladimir Lukin has been put forward for the post of chairman of the "Yabloko" faction; Ivan Rybkin for that of the Agrarian Party; Sergey Glazyev for the Democratic Party of Russia; Vladimir Zhirinovskiy for the LDPR; Sergey Shakhrai for the PRES; Mikhail Lapshin for the Communist Party of the Russian Federation; Oil Workers' Union President Vladimir Medvedev for the "New Regional Policy" faction; Alevtina Fedulova for "Women of Russia." "Russia's Choice" has so far refrained from publicizing the name of its faction chairman.

The organizational formalization of factions is not over yet. But it can already be noted that the Communists have teamed up with the Agrarians.

The main result of the consultations by independent deputies on the subject of forming deputies' groups in the Duma, for which purpose a day and a half's recess was proposed, was the appearance of the "New Regional Policy" deputies' group. There are 62 people on its lists [figure as published]. So in terms of strength, the new deputies' group has overtaken the Communists and the Agrarians, and gotten very close to Zhirinovskiy's faction, which yet again casts doubt over the LDPR head's claims to undisputed leadership in the parliament.

Judging from the group's declarations, the Duma's political center has not stayed vacant for long, and it is precisely "New Regional Policy," which has taken the place of the former "Civic Union" in the old Russian parliament. The composition of the new deputies' association is interesting and diverse. On the one hand, a group of representatives of Russian republics and autonomies led by former CPSU Central Committee Secretary A. Dzasokhov has joined it, and, on the other, famous Russian businessman A. Tarasov is among its ranks. Almost all the Army generals who were elected deputies have ended up in the group's line-up. But the association's fundamental support consists of the managers of major enterprises, including from the fuel and energy complex. Along with the PRES, "Russia's Choice," and Agrarian factions, "New Regional Policy" also has a minister in its midst—Government apparatus leader V. Kvasov, who obtained ministerial rank a few days ago. It is said in the Duma corridors that the new association has the prime minister's sympathies.

On the subject of the political nature of "New Regional Policy" and opportunities for it to form alliances and blocs, there will be a more detailed discussion of this in an interview with the group's chairman, Oil Workers' Union President V. Medvedev, to be published in a forthcoming edition. However, judgment can be made about its claim to the role of a serious force in the Duma by the fact that V. Medvedev has already been put forward as a candidate for the post of speaker of the lower chamber. At the same time, it is not ruled out that his candidacy will receive the support of the "Russia's Choice" bloc, which has as yet failed to put its own candidate forward.

In point of fact, the creation of the "New Regional Policy" group was the only successfully completed attempt at forming new deputies' associations. The so-called industrial-financial group failed to gather the requisite 35 people under its banner. The groups of deputies led by I. Khakamada, after much deliberation, decided to join "Russia's Choice." Likewise, the patriotically minded deputies led by A. Lukyanov did not succeed in registering, although observers are of the opinion that they still have a chance of setting up a deputies' group.

At the same time, despite the recent spread of rumors, the "Russia's Choice" faction remained united. As G. Burbulis declared in a conversation with IZVESTIYA's correspondent, he does not entertain the possibility of a split in the faction, although it is not impossible that some of its members will not match up to demands placed on them for a high level of professionalism. As for the faction's possible stance in connection with the expected government reshuffle, G. Burbulis declared that "Russia's Choice" will not play the role of passive observer of government actions. Along with this he stressed that the faction does not intend to switch to opposing the president, and it will try to help B. Yeltsin to maintain his stance as a president of reform.

Correction to Published Lists of Elected Deputies

PM1301144994 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 94 First Edition p 2

[Unattributed report: "Corrections"]

[Text] According to the Russian Federation Central Electoral Commission, the published list of deputies of the State Duma of the Russian Federation Federal Assembly elected to federal electoral districts from the "Liberal-Democratic Party of Russia [LDPR]" Electoral Association (ROSSIYSKAYA GAZETA 28 December 1993) should include the following:

Viktor Grigoryevich Vishnyakov, born 1931, Russian, higher education, member of the LDPR, thereafter as published;

Aleksey Alekseyevich Zuyev, born 1971, Russian, secondary technical education, nonparty member, temporarily out of work, thereafter as published;

Nina Viktorovna Krivelskaya, born 1948, Russian, higher education, nonparty member, senior scientific staffer at the Russian Federation Ministry of Internal Affairs Psychology and Personnel Work Scientific Training Complex, thereafter as published.

The published list of deputies of the State Duma of the Russian Federation Federal Assembly elected to single-seat electoral districts (Tomsk Rural Electoral District No. 174) should include:

Stepan Stepanovich Sulakshin, born 1954, Russian, higher education, member of the Republic Party of the Russian Federation, member of the "Russia's Choice" Electoral Association, thereafter as published.

International Affairs

Rukh Leader Terms Treaty Signing 'National Betrayal'

LD1401104694 Kiev UNIAN in Ukrainian 0800 GMT
14 Jan 94

[Text] Kiev—RUKH-PRESS reported on 13 January that People's Movement of Ukraine [Rukh] Chairman Vyacheslav Chornovil has described Ukrainian President Leonid Kravchuk's signing of the treaty on removing Ukraine's 176 nuclear missiles as a national betrayal. "This treaty will mean the full nuclear disarmament of Ukraine in as far as it embraces not only liquid fuel missiles, but also modern solid fuel missiles, which do not come under the START I Treaty," the Rukh chairman emphasized.

This is a shameful capitulation, for Ukraine will receive neither a single guarantee of its security, nor serious compensation. Two world superpowers—the United States and Russia—have combined their efforts in order to bring Ukraine to its knees. And this is easy for them to do because, having plundered the state, the rotten communist regime headed by Kravchuk is prepared for any kind of betrayal as long as an economic catastrophe is averted and they hold on to power at the expense of American and Russian handouts. Evidently Kravchuk expects the nomenklatura to win in the March elections and the Supreme Council to ratify this shameful treaty. If we do not remove the traitors from power, Vyacheslav Chornovil warned, then that is the end of Ukraine. They will not stop for anything—they will give up nuclear weapons, the Black Sea Fleet, the Crimea, and then even Ukraine itself. Then, I fear that Ukraine will for the second time this century lose a God-given chance to consolidate its statehood." [no opening quotation mark as received]

Official Terms Meeting 'Ambiguous'

LD1401112294 Kiev UNIAN in Ukrainian 1510 GMT
13 Jan 94

[Text] Kiev—In an interview with a UNIAN correspondent, evaluating the results of the meeting between the presidents of the United States and Ukraine on 12 January, Volodymyr Chernyak, a member of the central leadership of the People's Movement of Ukraine [Rukh] and a doctor of economic sciences, called it very ambiguous. He evaluated positively the fact that Ukraine is losing the artificially created image of a nuclear monster and its international isolation, which had begun to form. He expressed satisfaction that Ukraine will get the opportunity for wide economic cooperation and will get compensation for dismantling its nuclear weapons.

Volodymyr Chernyak stressed that the future agreement between Ukraine, Russia, and the United States is not an agreement on nuclear disarmament in general, but solely on the disarmament of Ukraine. In his opinion, there is not a single norm whereby Russia can have weapons but Ukraine cannot. This is not a normal situation, all the

more so when such an odious figure as Vladimir Zhirinovskiy can come to power in Russia. "The 'partnership for peace' formula," said Volodymyr Chernyak, "was adopted by the United States under pressure from Russia so as not to accept countries of Central and Eastern Europe into NATO. There is nothing realistic in this formula. It does not guarantee security, not even for Ukraine."

Democratic Leader Worried by Kravchuk Stance at Summit

LD1301222194 Kiev UNIAN in Ukrainian 1345 GMT
13 Jan 94

[Text] Kiev, 13 Jan—In an interview with a UNIAN correspondent, Levko Lukyanenko, honorary chairman of the Ukrainian Republican Party and co-chairman of the Committee of National Democratic Forces [Narada Natsionalno-Demokratychnykh Syl], noted that the stance of the Ukrainian president at talks with Russia and the United States is causing him concern. "I fear... that the president wants to sign two agreements: first, on general principles of relations, which will evidently be a political document; second, on reducing atomic armaments.

"Because we do not have the document itself it is difficult to talk specifically about its content, but I would very much like the resolution, which the Supreme Council adopted on issues of Ukraine's nuclear armaments, to be adhered to. I think the resolution is a fair one and truly in the interests of the Ukrainian people. We are interested in Ukraine getting compensation for the nuclear materials of tactical atomic missiles, which Ukraine once moved to Russia, and the dismantlement itself should take place with the participation of foreign funds. We should get political guarantees of our independence from nuclear states and from the G-7."

The Committee of National Democratic Forces of Ukraine believes, Levko Lukyanenko stressed, that the 12 reservations expressed in the Supreme Council resolution are directed at protecting Ukraine, and any kind of retreat from them is inappropriate.

New Wave Union Leader Criticizes Disarmament Pact

WS1401090494 Lvov POST-POSTUP in Ukrainian
1600 GMT 13 Jan 94

[Text] The agreement that is to be signed in Moscow will definitely rescind Ukraine's nuclear status, stated Taras Stetskiv, one of the leaders of the New Wave union, in an interview with the Lvov Television Company Mist on 13 January. In exchange for ephemeral international aid, Ukraine will recklessly dispose of its nuclear weapons. Stetskiv spoke in favor of simultaneous disarmament of all nuclear states. The only promising news is that the agreement must be ratified by the Supreme Council, he added, and this is very unlikely to occur.

Stetskiv believes that the negative aspect of the Partnership for Peace initiative is that it contradicts the idea of the Baltic-Black Sea Commonwealth; one positive aspect is

that it has been offered to Ukraine along with other Central Europe countries, but not Russia. This, in his opinion, gives a chance for Ukraine's integration with Europe without Russia. We should knock more decisively on Europe's door, concluded Stetskiv.

Agreement on Gas Deal With Russia Detailed

LD1301133094 Kiev UNIAN in Ukrainian 0953 GMT 13 Jan 94

[Text] Kiev—On 12 January, Acting Ukrainian Prime Minister Yuhym Zvyahilskyy and Valeriy Remizov, first deputy chairman of the Russian joint stock company Gazprom, discussed the preparation of an intergovernmental agreement on Russian natural gas exports to Ukraine and its transit across Ukraine to European countries. It was announced by DerzhKomNaftoHaz [Ukraine State Oil and Gas Committee] that the duration of this agreement would be until 2005, providing for annual gas deliveries to the volume of 50-70 billion cubic meters. Ukraine will pay for some of the gas by constructing housing and by developing the social infrastructure in Russia, in particular in Stavropol Kray, as well as selling housing in Ukraine to Gazprom.

Plans have already been drawn up for 125,00 square meters of housing at a price of \$500 per square meter. A document will be prepared on Russia's use of Ukrainian gas storage facilities with a volume of 30 billion cubic meters. The possibility was discussed of selling Ukrainian-made rail tankers, AN-74 aircraft, and fishing vessels to Russia. However, the issue of their price was not settled.

In accordance with the intersectoral agreement, in 1994 Gazprom is to supply approximately 60 billion cubic meters of gas at \$50 per 1,000 cubic meters. The issue of a payments procedure in respect of the gas was discussed. In order to pay for the transit of gas across Ukraine, Gazprom accountants pointed out, Russia must be paid for the gas supplied, rather than paying irrespective of gas deliveries. Otherwise there will be taxation problems. It was decided that payment for transit would be offset by additional gas deliveries.

The date of signing the intergovernmental agreement is yet to be announced.

Trade Cooperation Agreement Signed With Georgia

WS1301164194 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 13 Jan 94

[Text] Ukrainian Acting Prime Minister Yuhym Zvyahilskyy and Georgian Prime Minister Otar Patsatsia today signed an agreement on the development of trade and economic cooperation between the Ukrainian and Georgian Governments [words indistinct]. The agreement takes effect as of the day of its signing. In a short interview with a UKINFORM correspondent, Otar Patsatsia stressed that Georgia is ready for cooperation beginning today. Mr. Patsatsia stated: We already have a list of goods which can be traded within the framework of this mutually favorable agreement; I am very glad that we have signed this protocol. The Georgian prime minister added: Now is the time for work.

Oil, Gas Cooperation Agreements Signed With Israel

LD1301140694 Kiev UNIAN in Ukrainian 0953 GMT 13 Jan 94

[Excerpts] Kiev—A joint news conference was held on 12 January at Ukraine's Ministry of Internal Affairs between Andriy Vasylyshyn, Ukraine's minister of internal affairs, and Moshe Shahal, the Israeli minister of police and of energy and infrastructure. [passage omitted]

On the same day a protocol of intent was signed at the State Committee of Ukraine for Oil and Gas. Guidelines for development and the timescale for submitting specific proposals from the two sides were outlined.

A similar agreement, but only verbally, was reached at Ukraine's Ministry of Power Engineering and Electrification. Proposals were received on cooperation with the Ukrainian State Committee on Nuclear and Radiation Safety.

"This is the first attempt by Ukrainian and Israeli power engineers to establish relations between both countries' power engineers," said Amnon Ainav [name as received] scientific director of Israel's Ministry of Power Engineering, in an interview with a UNIAN correspondent. A meeting at the level of experts is planned for the end of March, where cooperation for using solar energy and other nontraditional forms of energy will be agreed.

National Affairs

Constitutional Group Rejects Kravchuk Proposal

LD1301204994 Moscow INTERFAX in English 1845 GMT 13 Jan 94

[Text] The Constitutional Commission ended its session in Kiev late on Wednesday [12 January] by rejecting President Kravchuk's proposal for a new constitution and a law on power sharing to be put for a nationwide referendum.

The session involved regional legislators and administrators and leaders of political parties and movements.

Instead, the Commission approved a proposal by Parliamentary Chairman Ivan Plyushch saying that only constitutional clauses on power sharing in the center and regions must be brought for discussion by parliament due to open on January 20 before these are approved in a referendum.

Plyushch will lead a working group to draft main constitutional provisions to be adopted by a new parliament.

The Supreme Soviet did not authorize the Commission to bring a new constitution under a referendum, head of the law commission Alexander Kotsyuba said. He said the paper must be adopted by the next session of parliament, but any controversial points be put for a referendum.

Kravchuk on Preferred Version of New Constitution

MK1301131094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jan 94 p 3

[Vladimir Skachko report: "New Constitution Can Be Passed in Referendum, After Which Local Authorities Will Be Transformed"]

[Text] A full-scale session of the Constitutional Commission attended by the chairmen of oblast soviets, representatives of Ukraine's president in oblasts, and leaders of political parties, trade unions, and other public associations was held yesterday on the premises of the Supreme Soviet of Ukraine and chaired by Ukraine President Leonid Kravchuk and Parliament Speaker Ivan Plyushch. President Leonid Kravchuk, a cochairman of the Constitutional Commission, said in his introductory remarks that the conference is supposed to explore avenues for a constitutional process in Ukraine because it "is a state recognized by the world community, hence it should not stand aloof from civilized constitutional norms." According to Leonid Kravchuk, the objective of passing a new constitution should be such a separation of the functions of powers where "each power branch should be authoritative, not authoritarian." Leonid Kravchuk outlined his own pattern of such a separation of the functions of powers: The president is taken out of the system of executive branch to become head of state; the parliament remains the sole legislative organ carrying out the legislative, founding, and control functions; whereas the prime minister, who becomes head of the executive branch and forms the government, shall be accountable to parliament in all respects.

In Leonid Kravchuk's opinion, one of the acceptable ways to pass a new constitution is a nationwide referendum which can be held simultaneously with the parliamentary elections on 27 March—but to enable this, the mechanics for the final discussion and approval of the constitution's text and its passage via parliament should be determined. Leonid Kravchuk named as another condition for putting the constitution to a referendum the elimination of all political inconsistencies in the text of the fundamental law that could aggravate the standoff in society.

Leonid Kravchuk specified as other options for setting in motion a constitutional process in Ukraine the passing of a law on power if it proves impossible to put the constitution to a referendum. A draft of such a law elaborated by the president's team was handed out to those present.

Much as had been expected, those who spoke after him differed in their opinions. Some deputies spoke for passing the constitution, some spoke for passing the law on power. Gradually one more proposal jelled—to approve the text of a new constitution by a constitutional assembly, an ad hoc body. But the final decision on this matter would most probably be made by Ukraine's Supreme Soviet, whose ninth session will open on 20 January. Advocates of soviet power, who press for a purely parliamentary republic, will say what they think about the constitution at a conference of the chairmen of oblast Soviets of People's Deputies in Kiev on 18 and 19 January. It is this conference that its organizers think should come to replace the All-Ukraine Congress of Soviets. Parliament Chairman Ivan Plyushch, another cochairman of the Constitutional Commission, will deliver a report at this conference.

According to Leonid Kravchuk, the adoption of a constitution in Ukraine should be followed by deciding on a system of local power, and a balance should be struck between the powers of the center and those of the regions that could please everyone. Many speakers warned Leonid Kravchuk and Ivan Plyushch against dividing powers between Kiev and oblast centers in such a way that would split Ukraine into 25 autonomous republics.

Commission Discusses Election Preparations, Plans

LD1301170394 Kiev UNIAK in Ukrainian 0836 GMT 13 Jan 94

[Text] Kiev, 12 Jan—A regular meeting of the Central Electoral Commission, which discussed in particular the election of Ukraine's people's deputies, approved a formal letter from the Central Electoral Commission to district electoral commissions. It contained recommendations on preparing and holding the elections.

Viktor Pohorilo, deputy chief of the Central Electoral Commission, noted that all appropriate documents to be prepared by district electoral commissions should already be at electoral districts by 12 March. The tasks of the district electoral commissions include: compiling a list of voters, planning work during the preparatory period,

holding and summing up the results of the elections, and ensuring that legality is maintained during the mentioned period.

The meeting's participants approved a resolution on how Ukrainian citizens who work in Ukraine's diplomatic representations and permanent representations attached to international organizations or who are abroad on training can participate in the elections of Ukrainian people's deputies on 27 March 1994. In particular, a resolution calls for electoral districts abroad to be registered with Artemovskiy electoral district No. 1 of Kiev. Deputy Foreign Minister Yuriy Vilych said there are about 75,500 voters abroad. He proposed that the right to form such electoral commissions remain with the leadership of foreign institutions. The Foreign Ministry will be given the right to send copies of electoral documents by fax or diplomatic post.

The meeting examined the state of party registration and of electoral blocs which have expressed an intention to nominate candidates for participation in the parliamentary elections. Speaker Ivan Yemets noted that as of today 23 parties have received certificates of registration, the first ones being the Ukrainian Republican Party, the Communist Party, the Congress of Ukrainian Nationalists in Ukraine, the Liberal and the Christian Democratic Party of Ukraine, and the Labor Congress of Ukraine. There have been no applications from party blocs to the Central Electoral Commission.

The meeting heard a speech by Dmytro Tabachnyk, deputy head of the State Committee for Publications, on measures to ensure the timely preparation of electoral documents (ballot papers, posters containing pre-electoral programs, and biographical information on parliamentary candidates) for district electoral districts using the printing base of Ukraine's State Committee for Publications. They discussed the nomination of contenders for parliamentary posts and their registration and the question of implementing measures concerning the financing and material provision of the electoral campaign. It was stated in particular that the total estimate for the electoral campaign is more than 1 trillion karbovantsi; however, funds are being given both according to real need and in accordance with the possibilities that at present are not big. The meeting discussed the central electoral commission's plan of work for 1994. [passage indistinct]

Crimean Presidential Candidate Presents Platform

WS1301174794 Simferopol KRYMSKAYA PRAVDA in Russian 4 Jan 94 p 2

[Interview with Ivan Yermakov, Crimean Supreme Soviet deputy chairman and candidate for president, by T. Ryabchikova; place and date not given: "New People Should Come to Leadership"]

[Excerpts] [Ryabchikova] Why did you decide to run for president as an independent candidate?

[Yermakov] Because I am convinced that only an independent candidate stands a good chance of becoming a popular president. This would also expand the basis for a prospective program and its adjustments, making it genuinely centrist—I have centrist convictions—and extracting whatever is good from the programs of different parties.

Besides, if we talk about the need to form a coalition government, a president coming from a party will find that to be a much more difficult task. Instead of common sense or compromise, this president would be steered by the party as to what decision to make or who to nominate to this or that post. I have long realized the correctness of Stalin's slogan: Personnel are fundamental.

Finally, it is my deep conviction that a reform-minded president must feel the support of all people, and of one party only.

[Ryabchikova] But the people now seem to be concerned only with their dropping standard of living. Could we live at least a little bit better?

[Yermakov] In my opinion, we have approached a line which is very dangerous to cross. People cannot even feed themselves properly. Yes, we could live better, but our perestroika transformed everything into some kind of agony. We set out to mess up everything in sight without thinking about where we are headed. Everyone is to blame for this, especially communists. As a rank-and-file Communist Party member, I too am guilty. However, I am not ashamed of belonging to the Communist Party, which, by the way, I have not abandoned to this very day. [passage omitted]

One should not again lie to people—there is no turning back. But we all must admit that the process of economic stabilization and trying to get out of the crisis by ourselves is very much delayed in the Crimea. The peninsula has followed the lead of Ukraine's unpredictable policies lacking any sense of direction. This has led to extremely bad consequences.

[Ryabchikova] What do you think about the idea of a Crimean state?

[Yermakov] We have declared that the Crimea is a state and have written this into the Crimean Constitution. Our statehood, however, has to be defended and consolidated. Whether or not Kiev wants it, the Crimea has proclaimed itself an independent state. Without leaving Ukraine. One should reckon with this fact. Or else... everything has its limits, you know.

[Ryabchikova] What do you think about the Sevastopol issue?

[Yermakov] At present, the city of Sevastopol has the rights and responsibilities of an oblast. In fact, it is a little oblast. A strange situation has taken shape—as it is directly subordinated to Kiev, the city is and at the same time is not in the Crimea. I believe that it should not be separated from the Crimea. We should eventually form a common entity. The time has come to unite. First of all, this would strengthen the Crimean state—one out of every

five Crimean residents lives in that city. It also has vast intellectual potential—its five research institutes used to work for the entire Soviet Union—as well as economic potential. Finally, it is the chief Black Sea Fleet base.

[Ryabchikova] Will this task require calling a referendum, do you think?

[Yermakov] I believe we can do without a referendum. It would be enough to conduct a public opinion poll, and based on its results, have the Sevastopol City Council adopt a resolution. After that, the council along with the Crimean Supreme Soviet would request that the Ukrainian Supreme Council recognize our unification. This is our inalienable right. [passage omitted]

[Ryabchikova] How would you assess the activities of the Crimean Supreme Soviet?

[Yermakov] Unfortunately, our sessions have looked more like political rallies, focusing on trifle matters and neglecting serious economic problems. No offense meant, but the present deputies are not capable of delivering any changes at all. New people should come to the Crimean leadership—those who know their way through the dangerous thicket of the market jungle and can survive under new conditions. [passage omitted]

[Ryabchikova] How should we begin our reforms?

[Yermakov] Without a stable monetary system, it is impossible to boost the economy and introduce the market pricing system. To mend the financial system, we should devise a program intended to encourage production and stabilize the credit and financial system. We must determine the status of the Crimean National Bank with the possible transition to payment settlements conducted in Russian hard-currency rubles. This would immediately balance the supply and demand relations in the market and ease strains on society.

[Ryabchikova] How is your program different from the programs of other candidates for Crimean president?

[Yermakov] Let me present three main points, the implementation of which is completely different. First, we stand for a confederation of all former Soviet republics in one economic commonwealth based on a common military and political doctrine and the Commonwealth Armed Forces, which would consist of small national armies. This commonwealth would be free from internal borders and customs houses with the common ruble zone and energy sources. This would solve the issue of the Black Sea Fleet, dual citizenship, raw material supplies, components for Crimean enterprises, etc. [passage omitted]

[Ryabchikova] How do you think the Black Sea Fleet issue could be resolved?

[Yermakov] No one doubts that the fleet should not be divided. This, however, is a kind of triple problem consisting of three elements—Sevastopol, the Crimea, and the fleet. If you settle only one of these elements, leaving the other two unaddressed, the problem as a whole will remain unresolved.

All those commissions are only games conducted by politicians. I have more than enough of participating in them, and am convinced that no commission will ever resolve anything. It will take a forcible decision on the part of both states: "It is going to be this way, and that's that." We should not be afraid of this.

Liberal Democratic Party Withdraws From Coalition

LD1401115394 Kiev UNIAr in Ukrainian 0811 GMT 14 Jan 94

[Excerpts] Kharkov, 14 Jan—The interpartite electoral association Spravedlyvist [Justice], uniting the Democratic Party, Republican Party, ChDPU [Christian Democratic Party] and Social Democratic Party in the general elections, has nominated its candidates for people's deputies. [passage omitted]

The Liberal Democratic Party of Ukraine [LDPU] has announced its secession from Spravedlyvist. Explaining this decision, party Chairwoman Yevheniya Novikova said that certain changes to the association's pre-election platform were introduced without consulting the LDPU. In particular, the provision on the possibility of a federal structure of Ukraine in the future was struck out.

Government Considers Economic Plan, State Budget for 1994

LD1301230994 Kiev UNIAN in Ukrainian 1510 GMT 13 Jan 94

[Text] Kiev—On 13 January, the Cabinet of Ministers held a meeting chaired by Ukrainian President Leonid Kravchuk, which examined drafts of Ukraine's economic and social development plan and state budget for 1994. Reports were delivered by Finance Minister Hryhoriy Pyatachenko and First Deputy Economy Minister Valentyn Popov.

The Economy Ministry worked out two versions of the main indices of the plan for 1994 on the basis of different price rise indices against 1993, one estimating that prices will rise 7.4 times and the other 4.45 times. The intention of the government and the Ukrainian National Bank to operate a tough monetary policy in 1994 was taken into consideration, and the indices under the second version were submitted for the Cabinet of Ministers' consideration.

During the discussion of the plan It was stated that the gross domestic produce last year exceeded 100 trillion [as received] karbovantsi at current prices. The national income generated fell 13 percent against the 1992 level and labor productivity 10 percent. The catastrophic decrease in investment activity continued. Due to growing inflation, last year's volume of investments from the state budget turned out to be exhausted almost entirely as early as in the first six months of 1993. Agricultural producers completed last year in difficult conditions, and none of the best growing regions, in particular, fulfilled the state order.

The overall progress of denationalization, privatization, and corporatization of enterprises was held up by the imperfect legislation and partial blocking of small-scale privatization by local councils, state administrations, and ministries.

The meeting determined seven state priorities in the economy for 1994, ranging from speeding up the development of agro-industrial sectors, to designing and manufacturing weapons and military hardware. Bilateral and multilateral trade and economic relations between Ukraine and the CIS and Baltic states are expected to improve in 1994. It is forecast that the volume of foreign credit that will be attracted this year will be \$697 million. In 1994 the policy of further delimiting state and enterprise finances will continue.

It is planned to hold a news conference when the Cabinet of Ministers' meeting ends. UNIAN will have the details in the evening bulletin.

Prime Minister Heads Meeting on Privatization

LD1301151394 Kiev UNIAN in Ukrainian 0953 GMT
13 Jan 94

[Text] Kiev—On 12 January, a conference was held by Acting Ukrainian Prime Minister Yukhym Zvyahilskyy, the Ukrainian president's regional representatives, heads of the relevant ministries and departments, and regional state and communal property funds. "In the three months that have passed since the Ukrainian president issued the directive on the privatization of unfinished construction facilities and their land, virtually nothing has been done," stated Yukhym Zvyahilskyy. Of the 9,200 unfinished construction facilities earmarked for privatization, in the words of State Property Fund Chairman Volodymyr Pryadko, only 3 have been sold after three months.

The following were named by the participants as being among the causes suppressing progress on this matter: The

privatization scheme is bulky; there are no potential buyers or investors due to the financial and payment crisis; privatization is being carried out in tough conditions and there is nothing to gain financially.

The opinion of Ukrainian Construction and Architecture Minister Yuriy Serbin's is that, in holding up the privatization of unfinished construction facilities, "it has turned out that the culprits are state administrations that are unwilling to give up the facilities they think they need, though lacking funds to complete their construction."

One of the ways to speed up privatization, Yukhym Zvyahilskyy believes, is through "personal responsibility of local leaders regarding the implementation of presidential directives." He added: "Our president is very liberal. One should punish administratively rather than trying to talk them round."

Bank Chief Criticizes Government's Credit Policy

PM1301170994 Moscow IZVESTIYA in Russian
13 Jan 94 First Edition p 1

[INTERFAX report: "Ukrainian National Bank Issues Credit Totalling in Excess of One-Half of GDP"]

[Text] In 1993, the Ukrainian National Bank issued credits worth a total of 57 trillion karbovantsi in accordance with decisions by the Supreme Council and cabinet of ministers.

This was announced by Viktor Yushchenko, chairman of the republic National Bank board, in an interview. According to preliminary data the Ukrainian GNP in 1993 is expected to stand at 100 trillion karbovantsi. According to V. Yushchenko, 80 percent of the credits went to the state sector of the economy. The government's constant practice last year of printing money for credits "made prices soar and brought the state to the brink of bankruptcy," the bank board chairman said.

Belarus

Kebich on Union With Russia, Clinton Meeting

*WS1301113094 Minsk Radio Minsk Network in
Belarusian 1700 GMT 12 Jan 94*

[News conference by Prime Minister Vyacheslav Kebich with unidentified reporters from the Belarusian Television and Radio Company and Belinform on 12 January; place not given—live or recorded; in Russian unless otherwise specified]

[Text] [Reporter] Certain events that occurred in 1993 are now being widely discussed. I am referring to the unification of the Belarusian and Russian monetary systems. People are calling us and asking about the motives behind this step, how and when this will happen. The main question is: In what way will the Belarusian economy and the man in the street gain from this? Please, comment on these government actions.

[Kebich] I want to go back in history. As you know, I have always been an advocate of a close economic union with all CIS states. However, some politicians have failed to understand the advantages of such a union. The conference of Belarusian and Ukrainian entrepreneurs in which I participated today, demonstrated that nostalgia for the economic union, and not just nostalgia, but also new circumstances force entrepreneurs to unite. Speaking of Russia and the Republic of Belarus, you know that the two states are so closely integrated that in fact, we cannot exist without one another. With regard to Belarusian power resources, we totally depend on Russian supplies. Russia supplies us with 50 to 60 percent of metals and other raw materials. Russia in fact, remains the only market for our products. We have reached some very negative phenomena and this forced people who are not selfish...perhaps neither Kebich nor Ivanov nor Petrov need that; our people need a close economic union. Such a union means equal prices for power resources for Russian and Belarusian consumers, eliminating all quotas, duties, and tariffs.... In fact, this will lead to a reduction of prices. Wholesale prices will decrease following a decrease in production costs and then, retail prices will go down as well.

Is it not a sad experience seeing people who went on Christmas vacation, forgive me the word, still not working. Healthy people who should operate machines and make products are spending time on the lakes fishing. The people do not understand what happened. They ask: Where are you, politicians? What are you preoccupied with? What are you doing? I am currently doing the will of my legislature that decreed the unification of monetary systems and the formation of an economic union with Russia.

My recent meeting with Boris Yeltsin and Viktor Chernomyrdin that lasted some three and a half hours led us to the conclusion that we are culturally, spiritually, and morally affiliated. We realized that the two states' economic systems are similar and that we need each other. Why should

Russia build a plant like our BelAZ when we have difficulties selling our trucks? Huge prices for power resources make our products uncompetitive not only in the West, but also on CIS markets. All these factors brought about the signing of the agreement between the two states. We decided to sign it in Minsk which is the CIS capital to demonstrate that we made first steps toward [reforming] our economies. We are moving on from multilateral to bilateral relations.

[Reporter] [words indistinct]

[Kebich] As far as I know, I have been told by our ambassador, that as a result of today's negotiations [between Shushkevich and Yeltsin], orders were given to prepare for the signing of the agreements as soon as possible. During my meetings with the Russian leadership it was precisely envisioned that this should be done in January.

[Reporter] Could you say what issues have been left unresolved?

[Kebich] There will be no more declarations. Bilateral relations between Chernomyrdin and Kebich, the two prime ministers, will be signed [as heard]. All the agreements but one have been already ratified by ministers or their deputies. Thus, the signing of these 12 agreements will denote that our monetary systems have been unified.

[Reporter] Considering that these agreements are so advantageous for Belarus, what caused opposition against their signing?

[Kebich] I liked the interview given by Viktor Chernomyrdin after signing the agreement in which he said: We have no claims on anybody's sovereignty. I have always said, and I want to underline over again that by joining the single ruble zone, by signing economic agreements, by lifting all barriers that hamper the free flow of products, people may give us a chance to survive and save our sovereignty. I think that those politicians who oppose the economic union care only about themselves. They do not care about either Belarusian sovereignty or peoples' lives. They want to make a show. Every sound politician, even having a negative attitude toward the union must understand that the latter provides undisputable advantages.

[Reporter, in Belarusian] Did Russia put forward any preconditions for [signing the agreement with] Belarus?

[Kebich, in Belarusian] There were no preconditions. In general, I must say that we agreed that prices for power resources will be equal and even the Russian side maintained that the unification of monetary systems should be done on a parity basis. To avoid misinterpretations I want to point out that parity does not mean that our hare will equal one ruble. It means that one hare will equal (?30) rubles.

[Reporter, in Belarusian] Is there a chance that following the unification of monetary systems Russian enterprises will repay their debts to Belarusian partners?

[Kebich, in Belarusian] Our enterprises kept their assets in Russia. Now, they will be returned to Belarus and start working for the economy of Belarus and not Russia.

[Reporter] Does this mean that the union with Russia is a real necessity?

[Kebich] I do not see any other way to save the Belarusian economy. I may be mistaken; I may be condemned, but this is my way, my policy, and the rest of my life. By saying this, I do not rule out that we should not form economic unions with any other state. The agreement does not prohibit bilateral relations with other states. We should seek contacts with East Europe; we should have equally good relations with Western states. This does not contradict our union with Russia. I think that perhaps this move will push other CIS states to signing bilateral agreements with us.

[Correspondent] [words indistinct]

[Kebich] I would like to say that I am not as adamant on this issue. I can take a step to the left or the right to profit from this union. And now about my personal appraisal: You know, I would like to say that, from this perspective, I am very satisfied. However, from another perspective, I am somewhat dissatisfied, because the good work that we are currently conducting is being criticized by other people. You claim that the industrial complex is against this union, but this is not true. You know, one should not trust all reports and statements. I have recently met with Belarusian and Ukrainian industrialists, and they all, arm in arm, approve this very union. They are very thankful for what the prime minister has done for them. I have recently read a newspaper published by Belarusian Communists, and they also assault the government. You are probably in the center of this criticism. In all countries all over the world, people who are not in power always criticize authorities. However, they criticize the people who are responsible for concrete matters.

Regarding the current issue, I would like to say that, when the time for the electoral race comes, all opposition forces wake up. In this case, I can see rapprochement of extreme radicalism from the left and right sides. As the saying goes, one goes left but comes from the right. Due to that, I must proceed on the path between these lines. I can step neither on the left path nor on the right one, and therefore I will proceed on the current path.

[Correspondent] Returning to the issue of our economic union with Russia, we praise it [words indistinct].

[Kebich] The point is that if prices for energy sources become equal in Russia and Belarus, our relations will instantly become based on equal rights. Currently, the price for gas in Russia amounts to 26,000 rubles [R], in Belarus it reaches R80,000. The price for oil is also two and a half times higher in Belarus than in Russia. The unification of monetary systems cannot be accomplished, if prices for all goods in Russia and Belarus are not equal. Due to that, we have not even allowed the possibility that prices would be different. It is possible that we will finance the expenditures for oil exploration and drilling works,

however, this will be an insignificant cost. Exploration work has already been conducted for a long time. This has cost them, too. Therefore, we put it this way: This does not mean that we should currently pay the same amount for gas as Russia does. The situation could be different: Our prices will be decreasing, while Russia's will be increasing until we reach one level. Moreover, I would like to emphasize that although the unification of our monetary systems has not yet been completed, we have already agreed that we will pay \$55 instead of \$80 for gas. So, can you tell me, isn't this alone a great achievement? Russia has met us halfway. Not \$80 but \$55. This is \$25 or almost R30,000. This is the initial result.

[Correspondent] Your meeting with Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin lasted almost three hours. What issues were discussed during this time?

[Kebich] There have been no such lengthy negotiations over my entire political life. Due to that, a great number of issues was discussed, including the circumstances connected with certain East European countries' willingness to join NATO. We discussed the attitude toward these countries and the issue of participation of our countries in the IMF. The scope of the discussed issues went far beyond relations between Russia and the Republic of Belarus.

[Correspondent] Suppose the monetary unification is not accomplished. What does it mean for Belarus and what is your prognosis?

[Kebich] The most unpleasant prognosis is that our enterprises will simply collapse. I am not speaking about agriculture. The agricultural sector is in much better shape than industry. Due to that, a new government, and I do not know who it will be, will have a very complex situation. All I can say is that, over two years in Ukraine, three governments have been changed. What has really changed there? There have been pragmatics, theorists, and professionals, and nothing has changed. Recently, the president has assumed all powers, and the situation there is even worse than ours. Thus, I believe that we have no other way. I always ask politicians: What do you propose? Yesterday, a NEW YORK TIMES correspondent told me: You always speak of help for Russia. Do you think that helping Russia you also help other CIS countries. However, this is not true. If you analyzed the help granted to Russia by IMF and the one granted to us, it would become obvious that we have received more.

[Correspondent] [words indistinct]

[Kebich] It is clear that if Belarus were a nuclear state, if we had not refused to keep the nuclear weapons, we would not be participating in this meeting [with President Clinton]. I am speaking sincerely. However, we see that the Clinton administration is paying tribute to Belarus, and this is being done, first and foremost, by U.S. President Bill Clinton. This is brought about by the fact that we do not lay claims to nuclear weapons and we do not make nuclear weapons the subject of political bargaining. This is the most important thing. I hope that during our short meeting—Clinton will stay with us no more than five hours—

we will discuss issues related solely to economic relations between Belarusian and U.S. business circles.

Kravchenko Expects Clinton Aid

LD1301125794 Moscow INTERFAX in English 1131 GMT 13 Jan 94

[Text] Belarusian Foreign Minister Petr Kravchenko believes that during his visit to Belarus, U.S. President Bill Clinton will announce new funds or programs to sustain business and economic reforms in Belarus. The Belarusian Foreign Minister made the statement at a news conference in Minsk Wednesday.

Bill Clinton is to meet Stanislav Shushkevich and Vyacheslav Kebich in Minsk January 15, the minister told reporters.

Clinton will also speak at the National Academy of Sciences and will place flowers to the Monument of Victory of the Soviet people in the Great Patriotic War.

Kravchenko has confirmed the information which says that the U.S. President intended to meet representatives of Democratic parties and movements, for example, the leader of the Belarusian People's Front Zenon Poznyak.

The U.S. president's wife, Hillary Clinton intends to see some hospitals in Minsk where people who suffered the aftermath of the Chernobyl disaster undergo medical treatment.

Shushkevich To Discuss Economic Cooperation

LD1301232894 Moscow ITAR-TASS World Service in Russian 1215 GMT 13 Jan 94

[Text] Minsk, 13 Jan (TASS-BELINFORM)—Belarus intends to build economic relations with the United States primarily through the implementation of specific programs promoting trade and investments, Stanislav Shushkevich, chairman of the Republic of Belarus' Supreme Soviet, said today on the eve of U.S. President Bill Clinton's visit to Minsk.

According to the Belorussian leader, although affected by the Chernobyl catastrophe and floods more than others through no fault of its own, the republic did not attach prime importance to humanitarian aid in the past, either. In the opinion of the head of Belorussian parliament, the state's foreign economic policy should aim not at "patching up holes but at a search for ways of proper economic cooperation with foreign partners and, first of all, with the United States", something to be discussed during Bill Clinton's visit.

Shushkevich noted that the Belorussian side had drawn up concrete proposals to be discussed with the American side. It is not ruled out that conversation will touch upon the United States' assistance in implementing measures linked to the withdrawal of nuclear weapons from Belarus.

As regards the Belorussian side's other proposals, he believed that it was too early to announce them prior to the meeting with Bill Clinton.

Answering a question about why the program for the U.S. delegation's stay in the Republic of Belarus included separate meetings with the head of parliament and the head of executive authority, Shushkevich noted that this was in no way connected with different positions upheld by legislative and executive authorities. "Since the U.S. President is the head of supreme executive authority and has great powers in legislative activity, both sides have agreed to hold two separate meetings, with the chairman of the Supreme Soviet and the chairman of the Council of Ministers," Shushkevich said.

Clinton Expected To Discuss Nunn-Lugar Bill in Minsk

LD1301204594 Moscow ITAR-TASS World Service in Russian 1835 GMT 13 Jan 94

[By BELINFORM correspondent Leonid Tratsvskiy for TASS]

[Text] Minsk, 13 Jan—At a working meeting between Colonel General Pavel Kozlovskiy, Belarus defense minister, and U.S. Ambassador in Belarus David Swartz, possible ways of extending application of the Nunn-Lugar Bill were discussed. Under this bill, the United States can provide additional finance to Belarus—which rigorously follows the course toward nonnuclear status, in keeping with international treaties on confidence-building measures and disarmament in Europe—to compensate for its expenses connected with the reduction of its army to the necessary sufficiency level.

The cost of destroying excess military equipment is a burden currently being borne by the Belarus taxpayers. Any help in this area would be more than welcome. Discussion of this important issue is expected at the summit meeting when U.S. President Bill Clinton visits Minsk.

To Arrive 15 Jan

WS1401084194 Minsk Radio Minsk Network in Belorussian 0800 GMT 14 Jan 94

[Text] Provided no changes are made in the schedule of U.S. President Bill Clinton's visit to Belarus, the President will fly to Minsk on 15 January along with his wife Hillary and daughter Chelsea. Guests are always shown what is best, although this will not be an easy task given the fact that the Clintons' visit will last only a couple of hours. As is known, Hillary and Chelsea Clinton have plans of their own during the visit. The President's daughter will attend a demonstration at the State Choreography College, while his wife will visit the Opera and Ballet Theater. She will be accompanied by our Republic's first ladies—Irina Shushkevich and Alena Kebich. They will exchange souvenirs at the opera, after which Hillary Clinton will meet with artists.

Shushkevich Interviewed on Talks With Yeltsin*LD1301213794 Moscow INTERFAX in English 1901 GMT 13 Jan 94*

["Exclusive" interview by Supreme Soviet Chairman Stanislav Shushkevich by unidentified INTERFAX correspondent; place and date not given; from the "Presidential Bulletin" feature]

[Text] Corr.: Before your meeting with Boris Yeltsin took place, observers thought it would center on prospects for a more extensive mutual integration of Belarus and Russia, including the unification of their monetary systems. Is that what your talks were about?

Stanislav Shushkevich: To start with, I'm very pleased that that meeting has taken place. It seems to me we were talking in an atmosphere of mutual trust. I was very pleased with the attention the Russian president gave to the problems of Belarus and with his understanding of them.

As for the concrete results of the meeting, we paid practically no attention to minor tactical problems. We talked about comprehensive long-term cooperation.

There are urgent matters, of course, and we did give consideration to them. But there are also matters that need serious preparation. We paid attention to those too.

What I consider to be the main result is that we agreed that there is a need for a new treaty between Belarus and Russia. I think it's obvious to everyone that some points of the treaty of December 18, 1990, which is still in effect and which was signed when the Soviet Union was still in existence, don't seem too serious nowadays. What we need is a document that would provide a clear and accurate legal basis for comprehensive interaction between our two countries, help them achieve stabilization and make their development more dynamic.

Corr.: Do you have in mind military and political cooperation?

S.S.: Certainly. We discussed the current withdrawal of strategic nuclear forces from Belarus to Russia and the possibility of speeding up that process. We also gave detailed consideration to the latest initiative of the United States and European nations, known as "partnership for the sake of peace." And we talked about the participation of Belarus in the collective security system [of the CIS] as well.

I will first of all say a few words about the latter problem. President Yeltsin understands our position, namely that we cannot fully participate in that system, because the syndrome of the Great Patriotic War (of 1941-45) and the Afghan syndrome are particularly painful for us. May I remind you that in both wars Belarus suffered greater per capita losses than any other republic of the former Soviet Union.

Boris Yeltsin and I agreed that Belarus mustn't ensure its own security at the expense of any other state and therefore decided that Belarus would be gradually incorporated into

the collective security system. By such gradual incorporation, which would make it possible to solve the problem painlessly, without giving rise to a confrontation within Belarus, I mean that we have not yet ratified the Treaty on Collective Security. We plan to ratify it with some reservations. Our diplomats should try to make it clear to our partners in the CIS that those reservations are not a whim on our part but reflect the actual state of affairs. When Russia realizes that, it will be easier to bring it home to other signatories to the treaty.

Now, as regards rumors that we have plans to join NATO, we have never, under no circumstances, expressed any desire to join NATO, and have never even hinted at that.

As for the withdrawal of strategic nuclear forces to Russia, we stated once again that everything is going on in conformity to the former agreements. We are working on a detailed schedule for it and a detailed treaty on it between our defense ministries. Belarus is making no direct or indirect conditions for it. We are deeply satisfied that our position has been given a good reception in the world. It is not ourselves but Russia and the United States that have proposed that, when fissile materials are assigned for civilian use, the part of their cost which is proportional to the amount of those materials remaining on Belarusian territory be paid to Belarus in hard currency.

The only reservation we'd like to make is that, although all of us would like the nuclear weapons to be taken away as soon as possible, we may get into trouble if we are in too much of a hurry to get it done. So we'll make sure that all necessary safety measures are taken.

Corr.: The peace policy of Belarus is likely to affect the nature of its armed forces too. However, today Belarus has more military officers "per capita" than any other former Soviet republic. How is that problem being solved?

S.S.: That's a very painful and complicated process. We'd like to have what is, to all intents, a national army. We are patiently dealing with that task, taking into consideration the needs and sentiments of both the officers serving in Belarus and ethnic Belarusians doing military service outside the country and wishing to return home.

I don't think cutting down the number of officers by decree is an acceptable way to speed up the creation of a national army. It's much more in our interest to get something done without throwing them out and leaving them totally neglected and embittered.

Yes, it is a complicated process. I must repeat, but it's under control. We have a special parliamentary commission (the Commission on Defense and National Security headed by parliament presidium member Mechislav Grib) that is in charge of it and pays extremely close attention to it.

Corr.: Did you discuss with the Russian president the possibility of assistance to Belarus in the protection of its borders?

S.S.: I did. The point is that, if we wish to have a single customs area, -which is our aim under our earlier agreements, - Russia must have guarantees that Belarus doesn't

provide a loophole for bending Russian laws and customs regulations. First of all, we must take care of our borders with Lithuania and Latvia (the Polish border is well under control). By the way, that would be much easier for Russia to do than look after the Russian-Belarusian border, which is much longer.

Corr.: What are the other priorities that you think Belarus should have in its cooperation with Russia?

S.S.: Belarus and Russia must have uniform price policies. Agreement on many points can be reached at the level of enterprises, without any government intervention. I think final documents will be basically ready by the end of this month, when (Russian Prime Minister) Viktor Chernomyrdin comes to Belarus to sign them.

Corr.: Is Chernomyrdin mainly coming to make a joint statement with the Belarusian leadership on the unification of the monetary systems of the two countries, as has been reported?

S.S.: What needs to be done is not to make statements but to sign a package of documents. If such documents are signed - there should be six or seven of them - the unification you have mentioned will materialize. It would be fairly naive to expect the two monetary systems to be unified instantly.

See the next issue of Presidential Bulletin for the end of the interview, where Shushkevich speaks about the forthcoming visit of U.S. President Bill Clinton to Minsk and the CIS's development prospects.

Shushkevich, Others Comment on Moscow Talks

*WS1301204594 Minsk Radio Minsk Network in
Belarusian 1815 GMT 13 Jan 94*

[Ivan Hladkiy report on news conference by Supreme Soviet Chairman Stanislav Shushkevich, National Bank Chairman Stanislav Bogdankevich, and CIS Affairs Secretary Uladzimir Zalomay at the Supreme Soviet press center in Minsk on 13 January; from the "Postfactum Radio" feature—passages with quotation marks are recorded]

[Text] [Announcer] You know that Belarusian Supreme Soviet Chairman Stanislav Shushkevich has just concluded a visit to Moscow where he met and spoke with Boris Yeltsin. This meeting will likely be recorded as a turning point in history and its results are interesting to everybody. We are subconsciously waiting for a miracle to happen; we are expecting our lives to get better. Therefore, a great many journalists gathered at a news conference held at the Supreme Soviet press center. My colleague Ivan Hladkiy was also invited. So, I am turning the microphone over to him.

[Hladkiy] Interest in this news conference was enormous. It was manifested in the great number of journalists who took part in it. Their interest is quite understandable. Currently, everyone is speaking about the unification of two monetary systems—Russian and Belarusian; about the upcoming visit of U.S. President Bill Clinton to Minsk,

and about other urgent issues. The entire audience was eager to know what issues our Belarusian delegation settled in Moscow. This is how Belarusian Supreme Soviet Chairman Stanislav Shushkevich characterized the results of the Moscow talks.

[Shushkevich] "I am going to read the joint communique. It includes the following ideas: First of all, we have discussed the issues of the economic situation and other issues of bilateral relations. The most important thing is that we have arrived at a unanimous decision and I am pleased to mark that the treaty on cooperation, signed in December 1990, when the two states were parts of the former USSR, does not suit new realities. It is high time to immediately draft a new full-fledged treaty on friendship and cooperation. We have also discussed the visit of U.S. President Bill Clinton to Moscow and Minsk and reached an understanding on this issue, as well as on the issue of the unification of the Belarusian and Russian monetary systems; the merging of our monetary systems. It is very difficult to declare and then unite our monetary systems. Therefore, work on the adjustment of the positions of the two countries is being continued. In my mind, this work will be done in January, that is, [words indistinct]. Boris Yeltsin has authorized Russian Prime Minister Chernomyrdin to visit Minsk in January, where he will hold additional talks with the Belarusian Government. If by that time work on the rapprochement of mutual positions is concluded [words indistinct] and a legal footing for this unification [word indistinct]. I personally consider the issue of equal prices to be the key issue. I am satisfied with the fact that we could explain to the Russian leadership [words indistinct] about Chernobyl. [Words indistinct] some 15 percent of our state expenditures are represented by Chernobyl costs. Therefore, it is very difficult for us to stand on our own feet when Russia is pursuing its own pricing policy. I hope that we will [words indistinct] with Russian President Boris Yeltsin resolve this issue this month."

[Hladkiy] The CIS Executive Secretary Vladimir Zalomay, Belarusian vice prime minister, said:

[Zalomay] "Actually, the key issue on the agenda is the unification of the two monetary systems. Currently, the mass media are carrying various reports as to which stage this process has reached. I would like to note that this process is in the penultimate stage of being concluded. However, the work has not yet reached its final stage. The final step will be made in January in Minsk. We have completed all the preparatory work, which puts the unification of the monetary systems on a legal footing."

[Hladkiy] There were many questions and they were very different. However, the prevailing majority of questions concerned the monetary union: What will be the exchange rate of Belarusian hares [nickname for Belarusian currency]? Will Belarus lose its state independence? What advantages will this monetary union provide Belarus? Belarusian National Bank Chairman Stanislav Bogdankevich addressed all of these questions.

[Bogdankevich] "Answering the question on the exchange rate of Belarusian rubles, I can say the following: At the

moment, we have no written agreement on the exchange rate. We understand that we can begin using an exchange rate of 10:1, in favor of the Russian ruble."

[Hladkiy] "So, what was the reaction of international financial organizations to the possible unification of the Belarusian and Russian monetary systems?"

[Bogdankevich] "The IMF has somehow expressed its concern with the fact that we do not properly inform it on the course of negotiations on the issue. I met with an IMF representative and explained to him the current state of affairs. Later, we received another IMF statement recommending that we think hard and adopt decisions carefully."

[Hladkiy] "What can you say about the circulation of Russian rubles and Belarusian hares when our states unite their monetary systems?"

[Bogdankevich] "The concern is that if the decision on the establishment of a 1:1 exchange rate of Belarusian hares and Russian rubles is adopted, then it will not be necessary to immediately withdraw our Belarusian payment notes from circulation. We should put into circulation that amount of Russian money that our population requires for [words indistinct]. I am emphasizing that we are approaching the signing of an agreement on this exchange rate, but it has not yet been signed. As for the unification itself, I think that if we unite our financial systems on a sound basis, on the basis of using and distributing Russian primary raw materials, primarily energy resources, on Belarusian territory, it will be easier to stabilize the Belarusian economy and to preserve markets in Russia and Belarus. In this aspect, the key issue is to agree and unite on the basis of using domestic Russian prices at the moment we begin using the Russian currency. Not later, but instantly."

[Hladkiy] These are their opinions and prospects. However, my dear listeners, we can do nothing but wait. Let us hope for the best.

Defense Minister Meets Polish Counterpart in Grodno

LD1401013694 Moscow ITAR-TASS World Service in Russian 1712 GMT 13 Jan 94

[By BELINFORM correspondent for TASS]

[Text] Grodno, 13 Jan—An official meeting between Belarusian Defense Minister Pavel Kozlovskiy and Polish Defense Minister Reserve Vice Admiral Piotr Kolodziejczyk took place here today. This is the first meeting attended by Kolodziejczyk, who was appointed recently to the post of head of Poland's military department.

On the agenda were consultations on matters of military organizational development and cooperation in the area of defense between the two states and also on agreeing upon the forms of interaction between the military ministries in the realization of commitments entered into by the sides during the signing of the corresponding bilateral agreements in April 1993.

Questions concerning the preservation of peace and security in Europe were also touched upon.

Monetary Union Statement Produces Conflicting Opinions

PM1301142594 Moscow KRASNAYA ZVEZDA in Russian 13 Jan 94 p 3

[Sergey Prokopenko and Valeriy Kovalev article: "Belarus Economy in a Coma. Will the Politicians Revive It at the Russian-Belarusian Talks?"]

[Text] Undoubtedly Stanislav Shushkevich, the head of the Belarusian parliament, who visited Moscow 12 January at the head of a Republic of Belarus Supreme Soviet delegation left Minsk in a mood that was far from jovial. A most grave economic situation has developed in the republic. Since New Year more than 20 of Belarus' largest enterprises have stopped work. In addition, the vehicle and agricultural machine building enterprises have not begun work. The BelAZ Belarusian Truck Plant, MAZ Minsk Truck Plant, and "Gomselmash" plants are standing idle. The situation is no better at enterprises in the radioelectronics sector, which together with machine building constitute over 80 percent of the republic's industrial potential. The "vacation" at the "Vychislitel'naya tekhnika [computer equipment]" republic industrial association will last until 1 February and the "Integral" Science-and-Production Association, BelOMO [Optical and Mechanical Association], and other enterprises are standing idle.

One of the main causes of the economic crisis in Belarus is the sharp rise in prices for energy resources and the lack of cash in Russian rubles. According to certain statistics payment for energy sources already accounts for 60 percent of production costs in the republic.

In this situation, however, the Belarus leadership is pinning great hopes on the unification of the monetary systems of Belarus and Russia: A decision on that was adopted last week. However, even here it is not all plain sailing. For example, in the opinion of Stanislav Bogdankevich, chairman of the board of the National Bank of Belarus, the statement on the forthcoming unification of the monetary systems leaves an ambiguous impression. On the one hand it is stated that the sides are ready to carry out this unification but on the other there is a marked lack of agreement on a whole series of questions. In particular, Bogdankevich stressed that from the date of the republic's switch to the Russian ruble it is stipulated that standard prices must be set for energy sources and basic raw materials within the confines of the common customs territory. Otherwise any unification becomes pointless because Belarusian enterprises will obviously be uncompetitive in the Russian market.

In short, the statement on the unification of the two countries' monetary systems has produced conflicting interpretations both in Russia and in Belarus. The opponents and supporters of this move have considerable justification for their view. Skeptics, for example, consider

that the unification of the monetary systems could lead to an infringement of Belarusian sovereignty whereas the realists are ready to forego a proportion of that sovereignty for the sake of saving the economy.

Moldova

Russian Army Not To Blame for Dniester Crisis

LD1301162594 Moscow ITAR-TASS in English 1417
GMT 13 Jan 94

[By ITAR-TASS correspondent Fedor Angeliy]

[Text] Chisinau January 13 TASS—General Aleksandr Lebed, commander of the 14th Russian Army in the self-proclaimed Dniester Republic of Moldova, denied allegations that the presence of the Army worsens the economic situation in the region.

In an interview with Asket [name as received] cable television on Thursday, Lebed brushed off accusations that his "troops are worsening the economic crisis in the Dniester Republic" as groundless. Many blame the soldiers who are paid in new Russian roubles for the low buying power of the local population. The soldiers exchange their money for old Soviet banknotes which are the only legal tender in the republic on the black market at a very high exchange rate.

Lebed also accused the authorities of the Dniester Republic of misappropriations. He stressed that over 11 billion roubles are used annually to keep the bureaucratic apparatuses and servicing personnel of Dniester leaders, as well as finance the studying of their children and relatives abroad.

He blasted Dniester officials for abusing their powers and offices and neglecting the needs of the people.

Kazakhstan

Nazarbayev Receives Pakistani Foreign Minister

LD1301173294 Almaty Kazakhstan Television Network in Kazakh 1500 GMT 13 Jan 94

[Text] Today President Nazarbayev received the foreign minister of Pakistan who is currently on an official visit to our republic. During the conversation, questions of the development of bilateral relations between Kazakhstan and Pakistan were discussed. Opinions were exchanged on many international issues. The minister said that the leadership of his country highly assesses the initiative of Nursultan Nazarbayev on confidence-building measures in the Asian region as a reliable basis for comprehensive international cooperation.

The Pakistani side expressed their wish to expand the system of transport communications. Due to the opening of new automobile routes, the first motorcade with a cargo of Kazakhstani goods will depart for Pakistan this summer. Also, the possibility of building a new railway and oil and gas pipeline between the two states is likely to be examined. The president of our republic proposed an agreement on holding a summit meeting of the heads of states of the Asian continent, suggesting that the United Nations Organization discuss the problematic issues in the life of the region, and displaying maximum diplomacy in order to reach calm and peace by joint efforts.

On the same day, Minister of Foreign Affairs of Pakistan Sardar Asif Ahmad Ali was received by Vice Premier Kuanysh Sultanov. The Pakistani side expressed their wish to develop cultural and scientific ties. The Pakistani diplomat said: "We are ready to tell you about the traditions and history of our state and in our turn are interested to learn as much as possible about Kazakhstan." It was suggested that a Pakistani book fair be organized in Almaty. Possibilities of exchanging TV programs were discussed as well as an exchange of guest performances of artistic collectives and opening an exhibition of paintings by artists from both countries. Educational institutions of Pakistan are ready to receive students from our republic.

Today at the Foreign Ministry of Kazakhstan, Tuleutay Suleymenov and Sardar Asif Ahmad Ali signed a protocol on consultations between the two sides on the issues of development of cooperation in the political, financial, economic, diplomatic, and other spheres. A news conference was held where the two foreign ministers answered numerous questions of Kazakhstani and foreign journalists. It was announced that the head of the Pakistani Government is going to visit Kazakhstan. Concrete steps connected with loans to our republic were described. In particular, Pakistan will completely finance the construction of a cement works.

Further on Comments at News Conference

BK1401032994 Islamabad Radio Pakistan Network in Urdu 0200 GMT 14 Jan 94

[Text] Foreign Minister Sardar Asif Ahmad Ali has reaffirmed Pakistan's principled stand that the Kashmir issue

should be resolved on the basis of the UN resolutions, and India should end its brutalities in occupied Kashmir. Addressing a joint news conference with his Kazakh counterpart in Almaty, he said both India and Pakistan are committed within the framework of the UN resolutions and the Simla Agreement to settle the Kashmir issue peacefully. He said Kashmiris have been subjected to the worst kind of genocide in the occupied territory by Indian forces, and India has also blocked all access to the Kashmir valley to the outside world, including humanitarian organizations.

Explaining Pakistan's peaceful nuclear program, the foreign minister said Pakistan has made a political decision not to make nuclear weapons.

Official Says Russian Lease of Baykonur 'Premature'

MK1301134094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jan 94 p 2

[POSTFACTUM report under the "In Brief" rubric]

[Text] Almaty—Speaking before journalists yesterday, Tuligan Zhukeyev, state counselor of the Republic of Kazakhstan, declared that he regarded as premature the remarks by Yuriy Koptev, general director of the Russian Aerospace Agency, about Russia's getting a 99-year lease on the Baykonur space launch facility. According to Zhukeyev, an agreement in principle has been reached on "Russia's presence at the space launch facility" and on terms of its "paid use."

Nazarbayev Issues Decree on New Import Tariffs

LD1301233694 Almaty KAZTAG in Russian 1330 GMT 13 Jan 94

[Text] The decree of the president of the Republic of Kazakhstan on customs tariff of the Republic of Kazakhstan for imported goods:

In order to improve the customs-tariff regulation of foreign economic relations of the republic of Kazakhstan I decree:

1. To confirm the appended customs tariff of the Republic of Kazakhstan for imported goods and to make it valid in line with the law of the republic of Kazakhstan "On the Taxation System in the Republic of Kazakhstan".
2. To define that:

Customs duties in conformity with this tariff on imported goods are levied on goods transported via the borders of the republic of Kazakhstan with the exception of cases stipulated by the law of the Republic of Kazakhstan "On Customs Tariffs and Duties" as well as the international agreements of the Republic of Kazakhstan;

Duties stipulated by the customs tariff of the Republic of Kazakhstan on imported goods are calculated as a percentage of the customs cost of the imported goods in the currency of the payee and are paid in the currency of Kazakhstan with recomputation of the duty's size in

accordance with the currency exchange rate set by the national bank of the Republic of Kazakhstan on the day of customs clearance;

Goods imported to the customs territory of the Republic of Kazakhstan are levied with customs duties according to the rates of the customs tariff of the Republic of Kazakhstan on imported goods irrespective of the date of the contract's conclusion;

Deferment of payment of the customs duty on imported goods is allowed in exceptional cases by the Ministry of Finance only, and for a term not longer than 30 days;

Customs duties are levied at the customs tariffs rates on items imported into the Republic of Kazakhstan as the non-trade turnover, including those for personal and official use by legal and physical entities;

Customs duties are not levied on items imported to the Republic of Kazakhstan as non-trade turnover by physical entities if in sum total these items do not cost more than 1,000 U.S. dollars or if they are imported by legal or physical entities who are entitled to duty-free import in conformity with the legislation of the Republic of Kazakhstan and international agreements of the Republic of Kazakhstan.

3. To invest the Cabinet of Ministers of the Republic of Kazakhstan at the recommendation of the Customs and Tariff Council of the Republic of Kazakhstan with the right to set, lift, and change the rates of customs duties on imported goods including the non-trade turnover.

4. The Cabinet of Ministers of the Republic of Kazakhstan should:

In one month time elaborate and adopt an instruction on the procedures of use of the customs tariff of the Republic of Kazakhstan on imported goods;

Introduce relevant changes to the resolution of the Cabinet of Ministers of the Republic of Kazakhstan of 19 February 1993 N129 "On Declaration and Procedures of Transportation of Goods Across the Border of the Republic of Kazakhstan" N5, article 56;

5. To hold non-valid the decree of the president of the Republic of Kazakhstan "On Temporary Customs Tariff on Import of the Republic of Kazakhstan" from the moment of introduction of this tariff of the Republic of Kazakhstan on imported goods.

[Signed] N. Nazarbayev, president of the Republic of Kazakhstan

[Dated] Almaty, 11 January 1994

Kyrgyzstan

Political Scene Viewed Ahead of 30 Jan Referendum

PM1301143794 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 94 First Edition p 6

[Vladimir Berezovskiy report: "Kyrgyzstan: Eve of Referendum"]

[Text] Tashkent—Kyrgyz sociologists are foretelling a heated political struggle over the upcoming 30 January referendum on confidence in President Askar Akayev. Recent polls conducted by the "Sotsiomarket" Research Center show that the people are by no means delighted with the state of affairs in the republic. Some 46.4 percent of respondents in principle do not approve the very idea of a referendum. Almost a quarter of them are prepared to vote against the incumbent head of state.

The reason is plain to see: 38.9 percent of respondents believe that the republic is rushing headlong into a crisis, while 29.3 percent are convinced that disaster has already struck. You can understand their viewpoint. The average wage in the republic is under 150 soms (around 20,000 rubles). While unemployment is putting more and more "surplus" manpower out of work at plants and factories.

The newspaper VECHEIRNIY BISHKEK has reported that the opposition wasted no time in holding a "Last Supper" to discuss the possible situation: What is to be done if Akayev does not win the people's support? It was decided then to "nominate" for president Feliks Kulov, a 44-year-old militia general and head of the Tashkent Oblast Administration, and offer the post of parliament speaker to 75-year-old Turdakun Usubaliyev, the former "top man," who ruled the republic for almost 25 years.

Interestingly, the latter seems to be already prepared to take on this role. When asked whether he would cope with the workload, Usubaliyev calmly remarked: "Gaydar Aliyev is doing OK...." Kulov, however, quickly rejected the "honor" he was accorded by the opposition and said that he is convinced that Askar Akayev will be victorious.

There is every indication that the president has no intention of letting the referendum take its own course. Local observers assessed Askar Akayev's recent statement of his readiness to grant dual citizenship to Russians and Germans as a desire to win their votes—and they represent almost one-fourth of all voters.

But the president immediately met with opposition.

Communists, republicans, and social democrats who think that dual citizenship will halt the wave of Russian migration and strengthen ties with Russia as Bishkek's strategic partner side with Askar Akayev.

Political circles do not hide the fact that Askar Akayev is very much counting on Boris Yeltsin's support; the latter is expected to visit Kyrgyzstan on the eve of the referendum.

Premier: Agriculture in Need of Assistance

LD1301142994 Moscow INTERFAX in English 1131 GMT 13 Jan 94

[Text] Kyrgyz agriculture is in need of urgent assistance, Kyrgyz Prime Minister Abbas Dzhumagulov told parliament on Thursday [13 January].

To quote Dzhumagulov, the government has drafted proposals for reducing agricultural enterprises' profit tax from 35 to 15

. It is also planning to purchase agricultural produce at market prices.

It will also establish a monopoly on the production and sale of alcoholic beverages, cigarettes and bread, all of which will require changes in the current legislation.

Dzhumagulov also noted that in order to increase the budget, the ministries and departments' personnel would be reduced by 20

. This will save the state 190 Mn soms (1 som equals 160 rubles).

Tajikistan

Rakhmanov Appeals to Compatriots Abroad To Return

LD1301140894 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 13 Jan 94

[Address by Imamali Rakhmanov, the head of state and chairman of the Supreme Soviet of the Republic of Tajikistan, to "compatriots outside Tajikistan"; date not given—read by announcer]

[Text] Dear compatriots: Our dear motherland, the Republic of Tajikistan is on the eve of great political changes. History will provide once again an opportunity for the Tajiks, together, to contribute to the fate of this ancient nation. It is necessary for us to discuss comprehensively the new constitution, the main law of Tajikistan, and to put it to a nationwide referendum, and on its basis to hold elections for the highest bodies of power in the republic.

These fateful political activities on which the sovereignty, the future of the state, and the present and future life of the people depend, have to be carried out until the end of the current year.

Dear compatriots, our Tajikistan can not only overcome all the difficulties posed by the fratricidal war, as a result of which it has lost much, but it can preserve political unity, territorial integrity and its sovereignty. Today, our dear Tajikistan is flourishing, and the republic looks with hope to every one of its worthy sons who can contribute to this in this ancient land.

The process of reconciliation and forgiveness continues in long-suffering Tajikistan. Fruitful negotiations with the different political forces of the republic have been under way for several months. Brother can not have offended brother. We all remember you, and we hope that you will return soon and will shake hands with your brothers. We hope that you will settle in the motherland of your ancestors and at the same time will contribute in helping our country flourish. We hope that you, our dear compatriots abroad, will take an active part in the future political and economic life of Tajikistan.

The leadership of Tajikistan is ready to create all the conditions required for your return. We are ready to solve your economic, social and political problems fraternally,

and to find decisions which satisfy everyone. We are ready to say welcome to all who want to return home and to create favorable conditions for them.

We are confident that the sense of patriotism will envelop you and that you will overcome all obstacles to your return home. The Tajiks have one motherland and our task is to preserve and to love it. Each home, each family and each town are waiting for you.

[Signed] Imamali Rakhmanov, head of state of the Republic of Tajikistan

Opposition Stops Refugees From Returning Home

LD1401001794 Moscow INTERFAX in English 1959 GMT 13 Jan 94

[Text] According to Tajikistan's Foreign Ministry, the armed Tajik opposition is preventing Tajik refugees from returning home from Afghanistan.

A Foreign Ministry source told Interfax on Thursday [13 January] that refugees were held up by opposition detachments based in Afghanistan's Konduz Province.

The source said the last meeting between Tajik and Afghan officials to discuss the refugees' repatriation took place near the Afghan town of Shir Khan on Wednesday.

Representatives of the Konduz governor once again assured the Tajik side that they would take urgent measures to unblock the road between the town of Konduz and the Shir Khan port to enable the refugees to return.

Tajik Mojahedin Kill 7 Soldiers in Shurabadskiy

LD1301155394 (Clandestine) Voice of Free Tajikistan in Tajik 0900 GMT 13 Jan 94

[Text] The news sources of the Islamic Rebirth Party reported that Tajik Mojahedin have been carrying out combat operations inside Kulyab Oblast and other regions of the republic for a long time.

In some areas they have infiltrated from three to five kilometres deep into the republic. The Tajik Mojahedin carried out a successful operation in the village of Sarygor, Shurabadskiy rayon, Kulyab Oblast, yesterday, reports the source. Government forces that have been supported by Russian troops have suffered big losses in the course of this operation.

Seven servicemen of the Communist regime have been killed by the Tajik Mojahedin as a result of this attack.

Islamic Party Urges Overthrow of Leninabad Government

LD1401012894 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 13 Jan 94

[Text] Sayed Abdullo Nuri, leader of the Islamic Rebirth Party of Tajikistan, has sent a letter addressed to Abdulmajid Samadov, chairman of the Council of Ministers of Tajikistan, which says:

In the name of God, the merciful, the compassionate:

To esteemed Abdulmajid Samadov, chairman of the Council of Ministers of Tajikistan, and esteemed Mahmudzoda, chairman of the executive committee of the Soviet of People's Deputies of Leninabad Oblast.

Your Excellencies, you are among those persons who have been witnesses to all the [words indistinct] of the republic, which need no explanation. However, I am confident that our hearts are in pain at the suffering of the nation and at the pains of the freedom and independence of the homeland. Tajikistan is [words indistinct] and bleeding. He who sprinkles the salt of hatred and animosity on these wounds and he who is eager for bloodshed is not among the wise. [passage indistinct]

One can conclude from the course of events in Tajikistan that certain forces are bent on (?spreading) the devastation of the civil war to the ancient Khojand [present-day Leninabad]. One should remember the tragic events in Afghanistan and should refrain from repeating them in Tajikistan. Now is the time to ponder—for the sake of national sanctity, the integrity of the homeland, and the destiny of the present and future generations—to (?remove) the communist government. Efforts should be made to bring about a government that is for justice and that cares for its citizens and one that will bring prosperity to all the people of Tajikistan. [passage indistinct]

[Signed] Sayed Abdullo Nuri, leader of the Islamic Rebirth Party of Tajikistan

Turkmenistan

President Niyazov's Rule Assessed Favorably

LD1301201694 Moscow ITAR-TASS in English 1611 GMT 13 Jan 94

[By ITAR-TASS correspondent Lyudmila Glazovskaya]

[Text] Ashgabat January 13 TASS—The last week in Turkmenistan marked the beginning of a transition period from the past to a future. A national referendum will be held in the republic on Saturday, January 15, to decide on the extension of President Saparmurad Niyazov's rule by another term in office.

This is "the will of the Turkmens", based on the incontrovertible logic dictating that the reforms now underway and the whole programme "10 years of prosperity" should be completed by the president whom the people call "Turvenbashi", father of all Turekmens. Time has shown that Turkmenbashi "is a capable helmsman" who can steer the state free of shallows and reefs, according to the unanimous opinion of all local newspapers promoting the idea of prolonging Niyazov's term of presidency.

It would not be an exaggeration to say that the president himself has uttered enough pronouncements about the results of his activity which can be used to effectively sell the idea.

Speaking at the first meeting of the cabinet of ministers this year about the results of his official visit to Teheran, the Turkmen leader made clear that he was quite close to

translating into life his cherished dream—to lift the veil of isolation which is shrouding Iran, a great neighbour country with a multi-million population which, according to Niyazov, is making a rapid economic headway and is willing to engage in international cooperation.

The Turkmen leader said that having elevated special relationship with "two great neighbours", Iran and Russia, above the common, he now has "new guarantees of peaceful and progressive development", which most countries of Europe and Asia need above all.

Niyazov said the same to the commanders of the CIS border troops at their meeting in Ashgabat. Thanks to mutual benevolence and trust linking Turkmenistan with Russia and Iran it becomes possible to solve all problems, including those on the borders, he said. According to him, the existing borders must be inviolable thus strengthening peace and quiet.

Talks between Niyazov and President Hashemi-Rafsanjani of Iran showed that the presidents see eye to eye on these and other aspects of cooperation.

Niyazov's "own political style" was manifested again in his telephone conversation with Boris Yeltsin during which both presidents confirmed the importance of the latest agreements between Russia and Turkmenistan and agreed on the need to hold a conference of Caspian states.

Yet another argument in favour of Niyazov was remembrance day held in Turkmenistan on January 12 to commemorate all victims of violence in the country's history. By decreeing that this day be marked annually, Niyazov added another chip to his extensive popularity in the republic.

Uzbekistan

Nazarbayev Notes Common Future With Uzbekistan

LD1301235894 Moscow INTERFAX in English 1901 GMT 13 Jan 94

[From the "Presidential Bulletin" feature]

[Text] President Nursultan Nazarbayev believes that Kazakhstan and Uzbekistan have great possibilities for joint economic development. He believes this could be achieved through mutually advantageous integration, which excludes the isolation of the two peoples who have common historical and cultural roots and a common future.

Nazarbayev made the statement finishing his stay in Uzbekistan. On Wednesday [12 January], the last day of his visit to the neighboring republic, the president saw ancient Central Asian towns of Khiva and Samarkand where he was accompanied by Uzbek President Islam Karimov. Nazarbayev saw the architectural sights, met representatives of regional authorities and ethnic Kazakhs.

The presidents of Kazakhstan and Uzbekistan signed in Tashkent Monday night a treaty on creating a single

economic space between the two republics. The document provides the removal of customs barriers on the border between the two countries, free migration of people and movement of goods and services and the creation of a legal basis for the joint development of communications and transportation.

Addressing the news conference, Nazarbayev spoke about the need to create a similar economic union. He said that Kazakhstan and Uzbekistan have always favored economic integration and denounced self-isolation. In conditions of circulation of equivalent national currencies, the idea should become a reality, he said, and added that talking in private the two presidents favored equal partnership excluding any forms of dictate and hegemony.

Holds Press Conference, Departs

LD1301161994 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 13 Jan 94

[By correspondents Shakhnoza Ganiyeva and Sadyr Ziyamukhamedov, including recorded interviews with Kazakhstani President Nursultan Nazarbayev and Uzbekistani President Islam Karimov; from the "Novosti" newscast]

[Text] Kazakhstan's President Nursultan Nazarbayev has completed his official visit to Uzbekistan.

[Ziyamukhamedov] Following the signing of bilateral interstate agreements between the Republic of Uzbekistan and Kazakhstan and the Mukus conference of the heads of Central Asian states on the problems of the area adjoining the Aral Sea, Presidents Nursultan Nazarbayev and Islam Karimov visited Urgench, the ancient towns of Khiva and Samarkand, where they visited world famous architectural monuments. This concluded president Nursultan Nazarbayev's official visit to Uzbekistan.

[Ganiyeva] What are the main political results? What new elements will the meeting contribute toward mutual relations between the two states?

[Nazarbayev] First, the meeting concluded six months of work to bring our economic integration closer. Our experts and governments intend the program to last until the year 2000. As a result of this work an agreement was signed on joint economic space.

[Karimov, in progress] ...which presupposes, above all, a free economy, a free movement of goods, capital, labor resources, manpower, services, and so forth. My view is that that we are now tackling problems, difficult economic problems, and we are thereby also settling political issues. Today we have made the first step toward integration. [Video shows presidents alighting from aircraft, sightseeing, being interviewed]

New Decree Clarifies Parliamentary Structure

LD1301202994 Moscow INTERFAX in English 1848 GMT 13 Jan 94

[Text] On Thursday the local press published a new decree on elections to Uzbekistan's Oliy-Mazhlis (parliament), which consequently has been brought into force. The decree stipulates that the republic's new parliament will consist of 250 deputies elected in one-mandate districts on a multi-party basis for 5 years.

Elections to the Oliy-Mazhlis are held on a nationwide basis. Citizens aged 18 have the right to vote and citizens not younger than 25 years old can be elected to the Uzbek parliament.

Political parties, Karakalpakia's parliament (an autonomous republic within Uzbekistan), regional and the Tashkent city councils of people's deputies can nominate candidates to the deputies of the new parliament.

Parties have the right to nominate their candidates under provision that they are registered by Uzbekistan's Justice Ministry not later than 6 months before the elections and have collected not less than 50,000 signatures of electors.

Citizens who have a previous conviction or have not lived in the republic before the elections, servicemen, employees of the national security service or Interior Ministry, and ministers of religion are not permitted to be registered.

The date of the elections to the new parliament has not been determined yet. Elections are likely to take place in summer 1994, when the authorities of the deputies of the present Supreme Soviet expire.

Two parties officially registered in the republic can participate in the elections. These are the legal successor of the Communist Party, the Popular Democratic Party chaired by President Islam Karimov, and the Party Vatan Tarakiet (Homeland's Progress) formed by the presidential state adviser Usman Azimov.

Armenia

Fighting Continues on Karabakh Front 13 Jan

NC1301140494 Yerevan ARMENPRES International Service in Armenian 1243 GMT 13 Jan 94

[Text] Yerevan, 13 Jan (ARMENPRES)—The battles resumed this morning in the southeastern sector of the Karabakh battle front on the border of Martuninskiy Rayon. The Nagorno-Karabakh Republic [NKR] Defense Army press service reported that the Karabakh fighters were still resisting the enemy's pressure as of 1200. Particularly fierce battles were waged in this sector of the front yesterday. The Karabakh troops managed to halt all the attacks of the enemy and threw him back to his former positions.

The Azerbaijani Army's attempts to breach Karabakh's defensive lines to the north and northeast of the NKR also failed.

The enemy lost nearly 50 soldiers and two tanks during the battles during the past day. Two fighters were killed and seven injured on the Karabakh side.

Iranian President Sends Message to Ter-Petrosyan

NC1401101294 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0430 GMT 14 Jan 94

[Text] The Armenian president has stressed the importance of his country's relations with the Islamic Republic of Iran and has called for the broadening of bilateral relations and cooperation.

According to IRNA, a verbal message from President Hashemi-Rafsanjani was conveyed by the director general of the CIS desk at our Foreign Ministry during his meeting with Armenian President Levon Ter-Petrosyan yesterday.

In the course of this meeting, regional developments and the Islamic Republic of Iran's efforts for the establishment of peace in the Nagorno-Karabakh region were assessed. The director general of the CIS desk at our Foreign Ministry also met the Armenian vice president and the foreign minister and delivered a written message from Dr. Velayati to the latter.

During the meeting, the Armenian foreign minister stressed that the Islamic Republic of Iran can play an important role in resolving the Nagorno-Karabakh problem. He called for our country's cooperation in containing this crisis.

Parliament Passes President's Economic Program

LD1301205894 Moscow INTERFAX in English 1934 GMT 13 Jan 94

[From the "Presidential Bulletin" feature: Reports by Diplomatic Correspondents Dmitry Voskoboinikov, Igor Porshnev, Vitaly Trubetskoi and others]

[Text] The Wednesday [12 January] extraordinary session of the Armenian parliament has confirmed the privatization program and program of denationalization of state enterprises and uncompleted constructions sites. As many as 125 of 156 deputies have voted for this decision.

Addressing the session, President Levon Ter-Petrosian, who was the initiator of this extraordinary session, expressed dissatisfaction with the fact that Armenia is far behind in the privatization process. In his words, until now Armenia has made only two serious steps in this direction, namely privatization of land and housing.

"It's a shame to call privatization what we are discussing now because these are just those first elementary moves which had to be made much earlier. These moves don't even have any connection with the economic policy," underlined Ter-Petrosian. As he said, "the private sector always existed and played a certain role in the sphere of the economy in normal communist states, for example, in the previous German Democratic Republic, Hungary, or China."

The president believes that the third serious step to be made in the near term should provide for issuance of cash totalling 20

of industrial enterprises' cost value to their workers. He also deems it necessary to expand lists of sites destined for privatization.

In his interview with Interfax Ter-Petrosian pointed out that Armenia plans to carry out "a widescale privatization of small sites" and this, to quote Ter-Petrosian, must "give a noticeable stimulus to the republic's economic life."

IF Note: According to the program confirmed by the parliament, 8,913 sites will be privatized in 1994, 61

of which are uncompleted construction sites, agricultural sites, state trade enterprises, and catering and servicing enterprises. In 1995-1996, the percent of these sites is to grow to 74

. Small enterprises are the first to be privatized (there are 75

of them in the republic), with the number of workers at 80 of these enterprises not exceeding 5 people.

Azerbaijan

Armenians Shell Southwestern Border Districts

NC1301181294 Baku AZERTAC in English 1257 GMT 13 Jan 94

[Text] Baku, January 13 (AZERTAC)—The Armenian armed forces suffering defeat caused by the Azeri national army, decided to revenge itself on civilian population of Azerbaijan. The districts of Kazakhskiy, Kedabekskiy and Tauzskiy, which border on Armenia in the south-west, were subject to heavy shelling of the Armenian artillery yesterday. There are victims and heavy destruction.

The Defence Ministry says yesterday's fight did not change the situation at the front. The Armenian armed forces attempts to attack the village of Hakop-Kamari from Terter, Agdam and Beylagan directions were stopped by the Azeri national army. The enemy suffered heavy casualties.

Attacks Repelled; Losses Inflicted

LD1301145794 Moscow ITAR-TASS in English 1406 GMT 13 Jan 94

[By AZERTAC for TASS]

[Text] Baku January 13 TASS—Azerbaijan succeeded to repel two Armenian attacks and said that the enemy had sustained major losses.

The Republican Defence Ministry said on Thursday that an Armenian tank and an armoured personnel carrier were destroyed in fighting in Fizuli region and another tank, a mortar and nearly one hundred mines were seized from retreating Armenians.

A major Armenian unit got onto a mine field while approaching the city of Agdam. The Azerbaijani troops delivered flank strikes on Armenians who fled the battle scene leaving major losses behind them, according to the source.

The ministry also said that casualties and damage were reported in Azeri border settlements in the north-west of the country in two days of intensive Armenian shelling from long-range artillery.

Gasanov Rejects Armenian Claims on Azeri Losses

LD1301220794 Moscow INTERFAX in English 1812 GMT 13 Jan 94

[Text] Azerbaijan's Foreign Minister, Gasan Gasanov, declared in his interview with Interfax that assertions by Armenian sources about great losses by the Azerbaijani army during hostilities in Nagorno-Karabakh are nothing more than lies.

He pointed out that "this is the product of work of the Armenian propaganda machine." The Armenian party, the minister said, strives to suppress the spirit of the Azerbaijani army while simultaneously trying to raise the spirit of its own army.

Gasanov again accused the Armenian party of attempts to solve the Karabakh conflict by coercive methods.

Aliyev Addresses Officers Leaving for Front

NC1301204394 Baku Azerbaijan Radio Televiziyasi Television Network in Azeri 1635 GMT 13 Jan 94

[Address by President Geydar Aliyev to army officers assigned to fronts on 13 January; place not given—recorded]

[Excerpts] On my instructions, the Azerbaijani Chief of General Staff organized a meeting with a group of officers serving in Baku, in military commissariats and other military units.

The purpose of our meeting was this: The process of forming the Azerbaijani Army has been going on in our republic for the last few months. And, you are witness to the fact that this process is going in the correct direction and positive results are being achieved. All these things contribute to the improvement of the Azerbaijani Republic's defenses and armed forces. [passage omitted]

I can now happily note that the work of forming an army is speedily progressing in Azerbaijan, our military units are taking shape, our armed forces are working to create a regular army, and the measures we have taken have started giving results. The existing army units that are in the battle zones are befittingly displaying their military potential and power [words indistinct].

You are already aware of the changes taking place in recent months. You are all officers serving in the Azerbaijani army. The changes in recent months are obvious, these being: Disciplined military units are being created in our army, and many have already been created; and in those regions where they defend Azerbaijan on Azerbaijan's own territory, these units are giving a deserving reply to the Armenian armed forces, inflicting extremely heavy blows to them, and are reliably defending Azerbaijan's territory.

The fighting and warfare is continuing. The war is being waged by the Armenian Armed Forces against the Azerbaijani Republic. I already said that a portion of our land has been occupied, and the Armenian Armed Forces still believe that by occupying more territory they can impose their conditions on Azerbaijan. If they previously had some chance of achieving this objective, now they no longer have a chance to do so. The Azerbaijani Army units facing the Armenian Armed Forces are reliably defending our lands all along the front. In so doing, they are undoubtedly waging battles and, as I already said, they are striking hard at the Armenian Armed Forces.

You know that as a result of these battles some of the occupied Azerbaijani lands have returned to the control of the Azerbaijani Army—that is, these lands have been recovered and the Azerbaijani Army units are now courageously trying to regain the rest of the occupied lands.

These are bloody battles. Our Azerbaijan Republic's brave, heroic sons, our soldiers and officers in the army, all our fighters—and I note this with satisfaction—are fighting heroically, and they are being killed and wounded. But I want to note that henceforth superiority rests with the Azerbaijani Army in these battles, and enormous losses have been inflicted on the Armenian Armed Forces as a result of these heavy blows. They are suffering heavy losses in men and material every day and are being defeated.

All these developments are exacerbating the situation on the borders. Again it is the Armenian side that is responsible for this exacerbation. You are aware that I have frequently stated that we want an end to the war, the

fighting, and to hold peace talks. I have put forward proposals and made statements in this direction. However, the Armenian side is not in accord with this, and sometimes they put forward conditions that we undoubtedly cannot accept.

Therefore, the Armenian side and the Armenian Armed Forces are culpable and responsible for all the ongoing fighting and the war, whereas we are fighting to defend our own lands and homeland.

Inevitably, as the fighting intensified in this manner we felt a need for measures to further mobilize our forces. In this context, the Azerbaijani youth are now applying to serve in the army with high spirits. The situation is no longer the same as previously, when there were a considerable number of desertions from the army. Now, as you know, after my address to the nation on 2 November there was an upsurge in patriotism among all the citizens, especially the youth and those able to serve in the army. They are coming to the military commissariats and military units of their own volition to enter the fight and serve in the army. [passage omitted]

Our officer cadres at the fronts are fittingly fulfilling their duties, and displaying excellent heroism. However, our officers should be even closer to the war front and should be active there and serve there.

The Defense Ministry leadership informed me that the officers gathered here will be sent to the military units. Maybe most of the officers here are serving in the military commissariats and in army units deployed in Baku, but now you should continue your service in the military units at the battlefronts. [passage omitted]

You are officers in the military service, which has an unbreakable law that says that any serviceman serves where he is assigned by the homeland and army command. You all know this, so you should comply with the orders you will receive today, and I hope that you will go to the fronts, serve in the army units there and thus enhance Azerbaijan's defensive potential and contribute your share to the defense and recovery of our lands. [passage omitted]

I wish you success and hope that you will all go to the front and display heroism. That is all I have to say. God help you in your glorious work, and I hope that you will honorably discharge the orders given to you by the homeland. We are waging a war for the homeland, for the defense of our homeland, and you are active participants in this war for the homeland.

Georgia

'Sensational Document' Shows Aid to Abkhazia

LD1301143794 Tbilisi IBERIA in Georgian 1115 GMT
13 Jan 94

[Text] Tbilisi, 13 Jan—An Iberia correspondent learned that the all-Georgia Merab Kostava Society has obtained a sensational document which proves that on 14 April 1992—that is three months before the war broke out in Abkhazia—Russia's President Boris Yeltsin gave an order

to the heads of Krasnodarskiy and Stavropolskiy kray administrations to speed up establishing direct economic links with Abkhazia, avoiding Georgia.

Abkhaz Nationalist on Conflict With Georgia

PM1301112794 Moscow PRAVDA in Russian
10 Jan 94 pp 1,2

[Interview with Professor Taras Shamba, president of the World Congress of Abkhazian-Abazinian People, by Mariya Dementyeva; place and not given: "Abkhazia: "Dead Season Over"]

[Text] Shells are no longer bursting on the worn-out land of Abkhazia today. But no one knows whether peace has set in for a long time, or whether the war is just taking a short breathing space. Fighters on both sides of the Ingur are looking into the future through the slits of gun-sights and may at any moment come together in a destructive tornado. Where has happened to compromise? And what is more important—the right of a state to territorial integrity, or the right of a people to self-determination, achieved through the blood of a battle of ethnic liberation? In a conversation with our correspondent, Professor Taras Shamba, doctor of juridical sciences and president of the World Congress of Abkhazian-Abazinian People, reflects on this. He reflects with partiality, sometimes with prejudice—but is it easy to behave otherwise over the new graves of your fellow countrymen?

Of course, PRAVDA is prepared to give the floor to the other side too.

[Dementyeva] Taras Mironovich, do you think that the war in Abkhazia has finished?

[Shamba] For Abkhazia, only the first phase of war has ended; it has fully rid itself of Georgian military formations. Admittedly, groupings remain, hiding in the mountains, in individual population centers, but by and large the active hostilities have ended. Abkhazian armed formations have stopped at the Abkhazian-Georgian border along the River Ingur. The main thing for us today is to prevent a new war from being unleashed. The point is that the Georgian government troops which won a victory over ex-president Gamsakhurdia, have gained full control of Western Georgia and concentrated an enormous quantity of weapons and manpower on the border with Abkhazia. In this connection, it must be said that the Russian leadership and the Ministry of Defense have fully reequipped and re-armed the Georgian government forces—they have been given tanks, armored personnel carriers, helicopters, airplanes, artillery, and ammunition. This started straight after the liberation of Sukhum [Abkhazian version of Sukhumi], when the Abkhazian formations approached the border with Georgia. It was done with the aim of giving assistance to Shevardnadze in the fight against the ex-president, and as a result, a huge military potential has accumulated in Georgia. Once again people are starting to look for reasons to unleash aggression against Abkhazia. Voices can also be heard saying that the main railroad route must be protected again, and that

the return of the refugees will be attended by the need for the presence of Georgian troops on the territory of Abkhazia. We do not want to be dragged into war again, we do not want the Georgian government forces to be given a pretext for returning.

[Dementyeva] What about the railroad?

[Shamba] In all, 10-12 percent of freight was passing through the territory of Abkhazia on its way to Georgia and Armenia. And in the area where the Georgian population is mainly concentrated—in Gali, there were six instances of attacks on trains or blowing up of bridges. All the other cases (over 70) were on Georgian territory. The Abkhazian Government has guaranteed, then and now, that freight would travel unhindered through Abkhazian territory. That is, the problem does not exist here. The desire to place Georgian government troops along the entire mainline route, in every area, means another occupation of Abkhazia. Naturally, the Abkhaz side cannot agree to this at all.

[Dementyeva] Has any progress been made at the Georgian-Abkhazian talks?

[Shamba] Peace in the region depends on how the Georgian politicians behave. It would be wonderful if Shevardnadze and his entourage had sufficient common sense to sit down at the negotiating table 11 January 1994 under the aegis of Russia and the United Nations. These should be held in Moscow or Geneva. We need to agree on what mutual relations between Abkhazia and Georgia should be like. Then we could start to restore the economy, the social sphere, culture, we would be able to create opportunities for the gradual return of refugees. After all, Sukhum and Ochamchira have been practically destroyed, and many villages have been completely obliterated. And difficult experiences would await those who returned there now—because of the blockade by Russia, there is no light, water, bread, or other foodstuffs. The humanitarian aid which is supposed to pass through Krasnodar Kray to Abkhazia is also being blocked.

[Dementyeva] So far no one has heard a lucid answer from the Abkhazian side as to why the Sochi agreement was disrupted?

[Shamba] The point is that the Georgian side used this truce in order to move up its forces and get new weapons. But, even though we knew this, we waited. And we trusted them. But the deadline for the withdrawal of the equipment and the departure of the troops was violated for the 11th time!

And when Shevardnadze claimed that by the time of the offensive by the Abkhazians, the Georgians in Sukhum were left empty handed, this did not correspond with reality, to put it mildly. Perhaps the only thing lacking there was nuclear missiles. Now that Sukhum has been liberated it is possible to familiarize oneself with the type of weapons that Georgia had at its disposal. They had an enormous quantity of tanks, armored personnel carriers, "Uragan" and "Grad" systems, howitzers, and state-of-the-art types of artillery—100mm and 120mm guns.

Every cloud has a silver lining—now the Abkhazian formations are equipped with state-of-the-art types of equipment which they managed to capture from the enemy. Plus the ones which the Georgians stored at dumps and bases in Sukhum and Ochamchira.

The mass media in Russia and abroad have created every possible condition for the Georgian side to present the facts in a light that is advantageous to it. For example, the story about the airplanes brought down in Sukhum. They claimed that women and children were traveling in them. But who is this meant to fool? These "women and children" flying into the combat operations area turned out to be a landing party hurrying to bring assistance.

[Dementyeva] How would you argue against the accusations of ethnic cleansing?

[Shamba] I would like to recall that the ethnic cleansing was started by the Georgians; Georgia for the Georgians was their idea. And these were official slogans. Karkarashvili, the commander of the Georgian government troops in Abkhazia, promised that he would destroy all 97,000 Abkhazians, and he would not begrudge assigning 100,000 Georgians for this purpose. And after all, no one has repudiated this policy. Furthermore, Shevardnadze then appoints Karkarashvili as defense minister and general. That means that the chauvinistic policy remains. Would it otherwise really have been possible to arrange mass annihilations of Armenians, Greeks, Russians, not to mention Abkhazians? And if it were not for the personal request of the Russian president, I think that Shevardnadze would already have been captured and would evidently stand trial.

[Dementyeva] Did the president turn to Ardzinba directly?

[Shamba] No, the deputy foreign minister spoke to the Abkhaz leadership on his behalf. He asked for the possibility to get Shevardnadze out of the territory of Abkhazia alive. I will not hide the fact that the main hopes are pinned on Russia's peacemaking role. Although it has maintained neutrality throughout the conflict, and although we have not received the assistance that Georgia has received, the services rendered by Russia in establishing peace on Abkhazian soil is enormous. Boris Nikolayevich Pastukhov really did sincerely try to help resolve the conflict by political means.

[Dementyeva] But nevertheless, how does Abkhazia plan to structure its relations with Georgia?

[Shamba] For its own part, Abkhazia has decided that it must be a sovereign, rule-of-law, democratic state. A subject of international law which can and should, I believe, establish relations with Georgia, with Armenia, with Russia, with Turkey, with Greece, and with other states. At the moment it is hard to say what the nature of these relations will be, because a great deal depends on Georgia. And on the leaders who head it today. Will they realize that Abkhazia is not an appendage, it is not a province of Georgia, but a sovereign democratic state with which relations must be constructed on the basis of equal rights? Then all questions can be resolved. And there are a

great many common problems connected with transportation, the development of industry, communications, and finances. If Georgia displayed good will, we could reach agreement and have a good relationship.

[Dementyeva] But you do understand that Abkhazia is a remarkable land, and Georgia considers it to be its own territory. It will scarcely let it go...

[Shamba] It is not their problem whether to let it go or not, because Abkhazia itself, by its own will, has reached independence and sovereignty, and it now depends on the citizens of Abkhazia what the republic's status will be. When this status is determined, the citizens will evidently elect a new parliament. A draft of a new Abkhazian constitution has now been proposed. It will be discussed at the Supreme Soviet, and if it is adopted, then the future will also need to be determined according to this constitution. And I believe that when the legislative organs are created, it may prove necessary to hold a referendum. The people of the Republic of Abkhazia—Abkhazians, Russians, Armenians, Greeks, Estonians, and representatives of other nationalities are included here—will be able to determine their own fate. Abkhazia has now officially appealed to Greece, Israel, and Russia for assistance in returning the refugees who went to those countries during the war. Representatives of the Greek diaspora in Moscow are already discussing and counting up the cost of mechanisms for returning the Greeks home.

[Dementyeva] It has repeatedly been claimed, notably by the Georgian side, that the rights of representatives of non-Abkhazian nationality are being violated. I understand that the land is called Abkhazia, but a lot of different peoples live in it and they all have the right to resolve the future of this land together. What do you think about this?

[Shamba] The future of Abkhazia should be resolved by all of its population. Abkhazia has always been a multi-ethnic [internatsionalnaya] republic. Even travelers in ancient times noted that you had to be able to speak 130 languages in Dioscurias [ancient name of Sukhum]. Sukhum is an international city, and it should remain that way. Ordinary people are not to blame for the flaws of the previous policy. After all, we all remember perfectly well how the population of Abkhazia increased by 160,000 Georgians in the space of 10 years. Many Georgians, who were forcibly resettled in our country in accordance with the "Abkhazpereseleniye" program, would return to their homeland, but they were nevertheless sent back to Abkhazia by force. That is how the forcible assimilation proceeded. Up to half of the names of population centers were renamed in Georgian, schools were closed, as was the radio, and everything that was connected with the Abkhazian language, culture, and literature was destroyed. But our people have a thousand-year history...

[Dementyeva] What will be the fate of the Georgian population? That is evidently the problem. Many Georgians who fled from Sukhum when Abkhazian troops entered the city, say that they have found out that their

houses have now been occupied. What will be the mechanism for returning these Georgians home, and returning their property to them; will they be able to feel safe in Abkhazia?

[Shamba] Following the liberation of Sukhum, unfortunately it did not prove possible to take control of the city straight away and establish firm law and order. Marauders and plunderers committed outrages. War always means crimes and violence. But the situation is now changing. Several groups of marauders and bandits—international ones, incidentally—have now been neutralized. Life is gradually settling down, and it is possible to return refugees, including Georgians. But of course the approach to those who want to return will be differentiated. The horror which the Georgian formations left behind in Abkhazia will not be forgotten in a hurry. After all, entire villages were destroyed. But when people of various nationalities write what was done to them.... In brief, it will be necessary to establish, for every refugee who wants to return, what was his personal role in the military conflict. Whether he fought weapon in hand against the Abkhazian people and committed evil....

As for the houses and apartments, yes, there really is a problem here. Many houses are standing empty, some people returning have found their houses burned down—where are they to go? So they temporarily occupy the empty houses. This is not being done in an uncontrolled way, but with the permission of the administration, and strict registration is in effect. When the previous owners return they will definitely have to be given back their living space, but before then, we must try to restore the housing stock. Many of those who fought, for instance Cossacks and North Caucasus people, want to stay in Abkhazia. They are being authorized to temporarily live in the houses and apartments which are standing empty, so that later, when the situation has more or less stabilized, they can be allocated land and given assistance in housing construction.

[Dementyeva] How many people has Abkhazia lost in this war?

[Shamba] According to foreign information, the Abkhazian side has lost up to 5,000 people in this war, including around 2,500-2,600 Abkhazians.

[Dementyeva] What will Abkhazia do if the Georgian Government troops nevertheless cross the Ingur?

[Shamba] I very much hope that there will be no war. But if it does break out, I believe that the new war will bring Georgia to a state of collapse. It will end its existence as a state. After all, the Abkhazian formations could go further than the Ingur... I think that the Georgian rulers should assess the situation rather more soberly. They are dealing with not just Abkhazian people, but the entire Caucasus region. And peace must finally come to this region.

Gamsakhurdia's Last Testament Explains Suicide

LD1301141994 Moscow INTERFAX in English 1131
GMT 13 Jan 94

[Text] "Aware of my position and the moral state of the Georgian nation, I have decided to take my life in order to

consolidate Georgians, Abkhazians, Ajarians and other peoples living in Georgia," reads Zviad Gamsakhurdia's last testament. This document was passed to Interfax by one of his nearest associates, who witnessed the suicide of Georgia's first president.

"I have used all legitimate and democratic ways of regaining power. My people, who love me, did not do everything they could to support me. I think my death will unite the people of Georgia. Let it be a symbol of protest for all peoples aspiring to freedom and independence," says Gamsakhurdia's testament.

"Russia, you, too, are to blame for my death. You will be repaid a hundredfold for your unworthy deeds. You are as much responsible for my death as my countrymen," says Gamsakhurdia's testament.

Commandant Urges Extension of State of Emergency

LD1301163994 Moscow ITAR-TASS in English 1418 GMT 13 Jan 94

[By ITAR-TASS correspondent Albert Kochetkov]

[Text] Tbilisi January 13 TASS—Tbilisi Military Commandant Zaza Chachua called for extending the state of emergency in the Georgian capital for several more months.

In an interview with journalists on Thursday, Chachua explained his call by the fact that the state of emergency imposed in the city on September 20, 1993 for two months and then prolonged for another two months has failed to restore law and order and combat crime in the capital.

Chachua stressed that at least 15,000 to 20,000 people are needed to keep up order in the city. At present the total number of Interior Ministry and regional police troops in the whole republic does not exceed 25,000 people.

Chachua said that during the state of emergency law enforcement bodies have confiscated 160 sub-machine guns, six machine guns, three grenade launchers, about 70 grenades, large amounts of ammunition and explosives and even one large-caliber gun from an armoured personnel carrier.

One to two out of 100 crimes reported in Tbilisi are committed at night when a curfew is in effect, the commandant said.

'Paralyzed' Kutaisi Appeals for Power, Gas

AU1301194394 Tbilisi First Program Television Network in Georgian 1700 GMT 12 Jan 93

[Excerpts] A significant number of the inhabitants of Kutaisi [Georgia's second city] have remained without electric power and water. Naturally, inhabitants of rayons in western Georgia are unable to watch television. However, the situation has become even more complex during the last four-five months. Last night, for almost six hours, Kutaisi and its environs were transformed, as they say, into a

"dead" zone. Electricity was cut, all work came to a halt, and telephone communications were severed. In short, the city and its 300,000 inhabitants are experiencing the most difficult conditions. There is, in general, no natural gas; it is not possible to supply the minimum amount of electric power; water is being supplied barely once a week. [passage omitted]

In spite of the situation yesterday, all municipal police employees are honorably fulfilling their duties. They are displaying particular vigilance in such extreme conditions.

One can state that Kutaisi's No. 1 and No. 2 bakeries have diesel generators on permanent standby and, as a result, the city is being supplied with bread. Work has not stopped at the bread mill.

In short, Kutaisi is in an extremely difficult situation. [passage omitted]

Kutaisi has submitted a request to the Cabinet of Ministers that it nevertheless be supplied with electric power according to the schedule and that the city receive natural gas once a week. It is impossible for such a big city to remain paralyzed throughout the entire winter.

Commission Established To Oversee Refugee Return

LD1301033194 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 12 Jan 94

[From the "Novosti" newscast]

[Text] A government commission has been set up and a program worked out for the gradual return of refugees, says video correspondent Ruslan Khashig.

Khashig says about 20,000 Russians, Armenians, and Jews have returned to Abkhazia from Russia over the three months since the end of the war.

The issue of the return to Abkhazia of Greeks sent to Greece during the war is almost settled, and special Athens-Sukhumi flights are soon to be organized by a Greek firm for this purpose.

The government commission for refugees has begun preparations to return Georgian refugees to Abkhazia's Galskiy Rayon. The commission held a random session yesterday in the town of Gali and met with the inhabitants of the rayon, he said.

The crime situation in the area is bad, which hinders the return of refugees, the commission pointed out. A decision was made to tighten the curfew, the video reporter said.

Refugees are returning without waiting for the issue to be finalized officially. Over 500 have already returned, not by the bridge over the Inguri River, but by the ford, which is dangerous. This means they avoid the checkpoint on the Georgian side that, strangely, is not letting them through. The refugees themselves told us that it is specifically the inhabitants of Gali Rayon who are being hindered from returning to their homes, the reporter said.

Estonia

Faction Signals Willingness for NATO Plan

LD1301210894 Tallinn Radio Tallinn Network in Estonian 1400 GMT 13 Jan 94

[Text] The parliament foreign commission has proposed to the government to signal readiness for participation in the Partnership for Peace program and to sign a basic document to this end. The parliament foreign commission also recommends that the government should present to NATO Estonian proposals to draw up an Estonian-NATO partnership program while also consulting relevant parliament commissions.

The parliament foreign commission took this decision after it had familiarized itself with the documents of the NATO heads of state and government leaders' conference. As is known the meeting took place in Brussels on 10 and 11 January.

Envoy-Designate Supports NATO Plan

WS1301201494 Tallinn ETA NEWS RELEASE in English 1743 GMT 13 Jan 94

[Text] Estonia's former Foreign Minister Trivimi Velliste who will this summer become the country's ambassador to the United Nations said NATO programme "Partnership for Peace" was very favourable to Estonia as there were no alternatives.

"If the programme will be developed in a way that Estonia has enough time to join in and this way develop its own political and national defence structures, practical cooperation with NATO and bringing Estonia's national defence in line with NATO standards will become possible in near future," Velliste said.

Commission Urges Plan Acceptance

WS1301200394 Tallinn ETA NEWS RELEASE in English 1606 GMT 13 Jan 94

[Text] The foreign relations commission of Estonian parliament on Thursday presented the government a package of proposals on relations with NATO after looking through the documents of the Brussels meeting of the heads of government and state of NATO countries that was held on January 10-11.

The commission proposed to express willingness to participate in "Partnership for Peace" programme, to sign the initial documents, to present Estonian partnership proposals to NATO and put partnership programme into force by diplomatic procedures, the package signed by chairman of the commission, Vello Saatpalu, said.

Cabinet Presented Blueprint for European Union

WS1401075494 Tallinn BNS in English 1630 GMT 13 Jan 94

[Text] Tallinn, Jan 13, BNS—A governmental working group set up to prepare blueprints for Estonia's joining the

European Union presented at today's Cabinet meeting a four-page program of action, Ivar Raig, the chairman of the group, told BNS.

The first part of the two-part program includes security, socioeconomic and legal issues that need to be coordinated; the second part deals with the methods and the mechanism of unification, Raig said.

"Estonia can realistically expect to join the European Union before the other former socialist countries," Raig claimed. The country's main goal is not to lag behind Ukraine, Slovenia and the Czech Republic that already have asked to be admitted to the union, he added.

The working group consists of a score of politicians and economics experts. Last week it appointed Priit Kolbre, the head of the Foreign Ministry's foreign economic policy department, as its secretary, Raig told BNS.

Yeltsin, Clinton Discussion Issues Viewed

WS1301130194 Tallinn BNS in English 1905 GMT 12 Jan 94

[Text] Tallinn, Jan 12, BNS—U.S. President Bill Clinton and Russian President Boris Yeltsin at their summit meeting in Moscow are going to discuss two issues that are of particular interest to Estonia, said Raul Malk, aide to the Estonian foreign minister.

Estonia, in particular, is interested what conclusion Yeltsin and Clinton will reach on the issue of the withdrawal of Russian troops from Estonia.

As a more general issue, it is important for Estonia what position the United States takes with respect to Russia's foreign policy.

Malk reminded how several countries neighboring Russia had painfully reacted when Russia announced the concept of so-called near abroad in its foreign policy. He said it was now extremely important whether or not the U.S. president was going to raise the issue at all and if the president was also to voice his position on the issue.

If Russia's foreign political course is aimed toward taking part in strengthening the European security and communicating with its neighbors according to democratic principles, the Moscow summit may give a new impact to the implementation of NATO's "Partnership for Peace" plan, Malk said.

"But if Russia takes the attitude that she has quite different rights and that she has the right to prescribe certain actions to others—in their relations with NATO, for instance—then things are naturally quite different," Malk said.

Legislators Want Surveillance Cases Detailed

WS1401080994 Tallinn BNS in English 1759 GMT 13 Jan 94

[Text] Tallinn, Jan 13, BNS—After the Estonian legislators ruled Wednesday [12 January] that phone-tapping and letter checks are unconstitutional, all concrete cases when

these measures were taken must be brought to light, Deputy Speaker of the parliament Edgar Savisaar told BNS at a press conference today.

Savisaar said that Asso Kommer, the former chief of the Laanemaa Voluntary Infantry Company who is kept in detention, also has the right to turn to the court, since the State Court authorized the Defense Police to tap his phone during the so-called Pullapaa crisis last summer.

The State Court's Constitutionality Board ruled Wednesday to declare null and void the government decrees and the articles of the law on amending the police law, which regulated the procedure of applying special surveillance methods including phone tapping and letter checks.

Centrist MP Andra Veidemann, a member of a commission looking into the activity of the Defense Police, told BNS at the press conference that "the commission was familiarized with the mechanism of phone-tapping and given information on the number of times special surveillance methods were applied over the last six months."

Veidemann stated that the commission was not given the concrete materials on which the Defense Police based its applications to the State Court.

She also said that the parliamentary Legality Commission is drafting a surveillance law under which all Estonian citizens have the right to inquire once a year of the Defense Police and the Criminal Police whether their phones have been tapped and why. The draft law gives the police the right not to reply to such inquiries, she said.

Latvia

Ministry To Create Group To Support NATO Plan

WS1301195194 Tallinn BNS in English 1759 GMT 13 Jan 94

[Text] Riga, Jan 13, BNS—The Latvian Foreign Ministry plans to set up a working party to support Latvia's participation in NATO's Partnership for Peace program.

The ministry will invite representatives of the Cabinet and officials of the Foreign Ministry and the Defense Ministry to join the group, which has not got a list of concrete members yet.

The group's foundation may be confirmed in the next Cabinet meeting, spokespeople said.

As reported, the Baltic presidents endorsed NATO's initiative in their Jan. 11 statement. The program offers the East European countries and the Baltic states a chance to cooperate with the alliance with a view to eventual membership.

Minister To Urge Acceptance

WS1301195294 Tallinn BNS in English 1759 GMT 13 Jan 94

[Text] Riga, Jan 13, BNS—Latvian Defense Minister Valdis Pavlovskis will recommend his government to

accept NATO's invitation to join the Partnership for Peace program, the minister told BNS Thursday.

The final resolution rests with the Cabinet after it has received an official invitation from the alliance.

The Baltic presidents in their Jan. 11 statement already voiced their wish to participate in the cooperation plan, which NATO offers to the East European countries and the Baltic states as an avenue to eventual NATO membership.

Latvia has not decided yet how it will participate in the program. The establishment of the Baltic Peacekeeping Battalion is the first task now, said Pavlovskis.

Official Claims Russia Organized 10 Jan Incident

WS1301130694 Tallinn BNS in English 1905 GMT 12 Jan 94

[Text] Riga, Jan 12, BNS—The Jan. 10 incident was a Russian-organized, deliberate political provocation, MP Odisejs Kostanda, of the Latvian National Independence Movement, told reporters Wednesday [12 January].

Andrejs Rucs, the former head of the Riga Vidzeme district municipality, was prompted by his "impulsive disposition to join in the incident but he was unconscious of the actual goals of its organizers," said Kostanda.

The Homeland and Freedom faction does not support methods used by Rucs during the incident because, currently, Latvia is unable to turn out the occupation army by force, said faction head Maris Grinblats.

The faction calls for more composure in similar situations, said Grinblats. Simultaneously, Grinblats criticized the government for "overdramatizing" the occurrence and being too submissive to Russia's interests.

"Russian militarists quite often take the liberty to treat Latvia's citizens in a criminal way," noted Kostanda.

Russia's military planes cross the Latvian airspace without any permission almost daily but the Latvian Government has notified Russia on none of these occasions, Kostanda said.

Kostanda reminded the participants of the press conference that one of the detainees, Maj. Gen. Anatoly Vodopyanov, conducted actions against the Latvian state in January and August, 1991.

The other officer, Maj. Gen. Nikolay Tailokov, has unlawfully settled in a summer house of a Latvian citizen and refuses to move out, said Kostanda.

Kostanda characterized the government's apology to Russia as "irresponsible and corresponding to its disloyal policies."

The Cabinet used the incident to extend its authority by unlawful means, said Grinblats, pointing at the amendments to the law on municipalities. The amended law allowed for the immediate dismissal of Rucs.

The amendments are inconsistent with the 81st paragraph of the Latvian Constitution, said Grinblats. The new rules also increased the dependence of municipal officials from the government, he added.

At the same time, speakers of the Homeland and Freedom faction pledged to pay more attention to issues related to the procedure of Russian troops' withdrawal and the takeover of the military property.

Spokesman Says Clinton, Yeltsin Discussed Skrunda

WS1301200194 Tallinn BNS in English 1630 GMT 13 Jan 94

[Text] Riga, Jan 13, BNS - Russian President Boris Yeltsin and U.S. President Bill Clinton, in the course of their Moscow meeting, approached the problem of the Russian military radar station in Skrunda, Latvia, Yeltsin's spokesman told BNS.

Latvian Talks' Delegation Leader Comments

LD1301131694 Moscow ITAR-TASS in English 1106 GMT 13 Jan 94

[By ITAR-TASS correspondent Galina Kuchina]

[Text] Riga January 13 TASS—"The whole package of agreements dealing with the troop withdrawal from Latvia may be signed as early as in February," ambassador at large Sergey Zotov, head of the Russian delegation, told ITAR-TASS.

After the end of the talks that lasted two days, Zotov had a meeting with Latvian Prime minister Valdis Birkavas. Both sides pointed to perceptible progress, achieved on the key issues. A complex agreement on the legal status of a Russian anti-missile radar station in Skrunda has almost been completed. An agreement may be reached even on the most controversial issue—the time-limit of the functioning of the radar station.

The Latvian prime minister again offered apologies to the Russian side about the incident [as received], that took place in Latvia, and said the government was taking measures for preventing in the future the actions that could have a negative impact on bilateral relations.

Details Settled With Russia

WS1301150394 Tallinn BNS in English 1112 GMT 13 Jan 94

[Text] Riga, Jan 13, BNS—The leaders of Latvian and Russian negotiation teams wrapped up their latest meeting Wednesday [12 January] in Riga without setting terms for functioning and dismantling of the Russian radar in Skrunda, Latvia.

The officials, however, agreed on a series of technical aspects of the radar's operation, the Latvian Foreign Ministry reports.

The social protection of Russian military persons in Latvia was another topic on the talks' agenda.

As reported, Russia proposed to surrender the radar station in five years. Latvia has not produced an official answer yet, said Russian delegation head Sergey Zotov.

Talks 'Productive'

LD1301142394 Moscow INTERFAX in English 1131 GMT 13 Jan 94

[Text] Sergey Zotov, the Russian chief negotiator at talks with Latvia, thinks that the package of agreements on withdrawal of Russian troops from that country may be drafted in February.

He told Interfax that the meeting of chief negotiators that ended in Riga Wednesday was "productive."

That meeting was delayed until Latvia apologized for the incident of January 10 when Latvian territorial troops blocked numerous buildings belonging to the Russian Army in the Latvian capital and held two Russian generals handcuffed for hours before releasing them by order of Latvian President Guntis Ulmanis.

In the words of Zotov, the provocation against the Russian troops on the day when the Russian delegation stayed in Riga unexpectedly facilitated the Russo-Latvian talks.

He said that a broad understanding was reached on the legal status of the Russian radar station in the village of Skrunda and an agreement on the deadline for its closure seems possible.

The Russian delegation which had insisted on keeping the station under Russian control for six years agreed to reduce that time to five years. The Latvian authorities had wanted the station dismantled in three years.

Zotov added that Latvian Prime Minister Birkavs had also noted the success of the talks when the two men met on January 12. Birkavs said then that the Latvian government would do its best to prevent activities that could have a negative impact on the bilateral relations and obstruct the talks between Russia and Latvia.

The two men agreed that efforts must be redoubled to draft the agreements and create a legal basis for normal development of the Russo-Latvian relations.

Parliament Approves Local Election Law

WS1401080194 Tallinn BNS in English 1759 GMT 13 Jan 94

[Text] Riga, Jan 13, BNS—Latvian local governments will be elected in a direct and proportional ballot for an office of three years, under the law on local elections, passed Thursday by the Latvian Saeima (parliament).

Lawmakers fixed May 22 the date for the elections. Electors are all Latvian citizens, which have full 18 years of age on the election day.

Persons serving their term or waiting for a sentence in places of detention are barred from the elections, under the law. Persons recognized as irresponsible also should not participate in the local elections.

A deputy candidate is a Latvian citizen, over 21 year of age, a permanent resident of the electoral district for at least twelve months. Knowledge of the Latvian language is another prerequisite for being elected a local deputy.

Persons serving their term or waiting for a sentence in places of imprisonment, as well as irresponsible persons, are barred from being elected to local governments. The ban also refers to persons convicted for grave crimes and persons having collaborated with foreign reconnaissance services.

The Saeima voted down a proposal by the Democratic Party and the National Independence Movement to bar double citizens from running for the local governments.

Lawmakers also rejected a proposal by Homeland and Freedom's Janis Straume to bar former functionaries of the Communist Party and Komsomol from the elections.

There was no separate vote on the participation of non-citizens in the elections. This issue may be approached only after the adoption of the law on citizenship, the deputies said.

Lithuania

Polish Parliamentarians Issue Appeal on Accord

WS1201203294 Tallinn BNS in English 1638 GMT
12 Jan 94

[Text] Vilnius, Jan 12, BNS—72 members of the Polish Sejm have sent a letter to the Polish president, the prime minister, the foreign minister and the speaker of the parliament, demanding to observe several principles when signing an agreement on friendship and cooperation with Lithuania, according to press reports Wednesday.

The Polish lawmakers said the accord can be signed on condition that the predominantly Polish populated Vilnius and Salcininkai regions are given autonomy in culture and education; land is returned to Polish farmers who live on Lithuanian territory; Polish social organizations get back their property that was nationalized in 1939-1940; a Polish university is given the right to function in Vilnius.

The 72 also demand to exclude the historic interpretation of the 1920 occupation of Vilnius and its region by Poland from the agreement "because it is contradictory" and can result in new arguments and may affect the status of Poles in Lithuania.

The Polish lawmakers urge their country's leadership not to sign any additional declarations "which would create possibilities for various interpretations of the agreement and may be later directed against the interests of Lithuania's Poles."

As previously reported, Lithuania agreed not to mention the 1920 invasion in the main agreement but demands to simultaneously sign a separate declaration on the matter. The Polish side said it sees no need to sign both document together.

The 72 lawmakers also said the previous Polish government ignored their recommendations and urge the new administration "not to repeat the mistakes that may worsen the situation for fellow-countrymen in Lithuania."

IMF Wants Monetary Policy To Get 'Back on Track'

WS1301151194 Tallinn BNS in English 1112 GMT
13 Jan 94

[Text] Vilnius, Jan 13, BNS—The representative of the International Monetary Fund in Lithuania, Peter Cornelius, said the fund is seriously concerned about the present rate of inflation in Lithuania.

The problem will reportedly be the central issue at talks between the Lithuanian Government, the central bank and an IMF mission that is scheduled to come to Vilnius next week.

"The fund is quite concerned about inflation. It has gone up from less than 1 percent in August to 7.3 percent in October and then fell to 6.8 and 6.2 percent in November and December respectively. These are inflation figures that we regard as too high," Cornelius said.

The IMF official admitted, however, that there are some extraordinary factors behind these figures, such as the reduction of subsidies to energy and the increased import tariffs for certain agricultural products.

Cornelius said "these factors had an impact on inflation, however to a large extent, it has been caused by the monetary policy" of the Lithuanian central bank. He said this is indicated by the amount of money in circulation. 1 billion lits were supposed to be in circulation by the end of 1993, but 1.1 billion were released. Another 0.1 billion later added to that amount in two weeks.

"Next week, the IMF mission will thoroughly discuss inflation and how to get the monetary policy back on track."

Cornelius said the central bank's interference with the foreign currency market is too strong. On the average, the bank buys around 5 million U.S. dollars per week, or around 20-15 million per month, which is around 80-100 million lits.

The IMF representative said the bank's hard currency reserves totalled 227 million U.S. dollars in late December, but, according to the Lithuanian economic policy memorandum, the reserve was supposed to be only 110 million.

Cornelius denied press reports that the IMF pressingly recommends to create a currency board, but added that the system has some advantages. "No space is left for politics to interfere with the monetary policy." In his opinion, a currency board also means "very tight arrangements which do not allow credits to the government, enterprises and commercial banks."

Currency boards function in Estonia, Hong Kong and Argentina. Their activities are very successful in all of these countries, Cornelius said.

"We do not push the idea of a currency board but we are ready to help in implementing it if the government makes a decision and if there is strong support in the parliament."

Daily Questions Purity of NATO Membership Request

WS1301125694 Tallinn BNS in English 1905 GMT 12 Jan 94

[Text] Vilnius, Jan 12, BNS - Lithuanian President Algirdas Brazauskas pursued only one aim by asking for NATO membership—he wanted to take away a trump card from the rightist opposition, which sharply criticized the administration for delaying an official request, the LIETUVOS RYTAS newspaper said in its editorial Wednesday [12 January].

The newspaper said key issues in foreign policy are used only as a "tool for internal struggle" and lacks a clear attitude toward this or that problem.

LIETUVOS RYTAS noted, however, that the international community heard Lithuania's name once again after a considerable break. "A majority of politicians consider the step premature, but they realized that Lithuania's aspiration is sincere—to be safe on a dangerous crossing in Eastern Europe."

Calls for Kaliningrad 'Deoccupation' Criticized

PM1301161794 Moscow IZVESTIYA in Russian 13 Jan 94 First Edition p 4

[Report by Gennadiy Charodeyev: "Lithuanian Seimas Chairman: Kaliningrad Does Not Belong to Russia"]

[Text] There are growing calls in the Lithuanian parliament for the separation of Kaliningrad Oblast from the Russian Federation and the formation of a new Baltic republic on its territory.

In a joint statement, Seimas Chairman Ceslovas Juršenas and Deputy Romualdas Ozolas demand the oblast's "demilitarization" and "deoccupation," a review of its international status, and the creation of a new state, integrated into the structure of North Europe. Ozolas stated: "At the Potsdam Conference in 1945, the victorious countries entrusted the oblast's administration to the USSR for a period of only 50 years."

The Potsdam Conference decision to transfer what is now Kaliningrad Oblast to the Soviet Union was final, irrevocable, and indefinite, which unequivocally follows from the text of the relevant accord. The fact that territorially the oblast belongs to the USSR, and correspondingly to Russia, was subsequently enshrined in the Treaty on the Final Settlement Against Germany of 12 September 1990 and the Treaty on Good-Neighborliness, Partnership, and Cooperation Between the USSR and the FRG of 9 November 1990.

As regards the Russian military presence in the oblast, it is and will be determined exclusively by Russia's defense needs.

Do the Lithuanian deputies realize that their irresponsible comments could complicate Lithuanian-Russian relations and that they can only play into the hands of the notorious extremist forces in Russia?

Diplomatic Relations Established With Bolivia

LD1401105294 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 14 Jan 94

[Text] The Information and Press Department of the Lithuanian Foreign Ministry has announced that on 12 January in Caracas, Vytautas Antanas Dambrava, Lithuanian ambassador extraordinary and plenipotentiary in Venezuela, and [Name indistinct] Bolivian ambassador extraordinary and plenipotentiary, signed a protocol on the establishment of diplomatic relations.

Bolivia recognized Lithuania on 9 September 1991. This is the 87th country establishing diplomatic relations with Lithuania.

Ex-Communist Head Urges Party Legalization

WS1401111794 Tallinn BNS in English 1013 GMT 14 Jan 94

[Excerpt] Vilnius, Jan 14, BNS—Mykolas Burokevicius, former leader of the pro-Moscow Lithuanian Communist Party, has addressed the Lithuanian government with suggestions "on ways of getting the Republic out of a crisis."

The communist party has been outlawed in Lithuania and its former leader is listed among the 30 believed organizers and executors of the failed Soviet coup attempt in 1991. Some of them currently hide in Russia, and, according to some sources, in the neighboring Belarus. Lithuania has demanded several times to extradite the alleged state criminals, but without any success so far.

In a letter addressed to Prime Minister Adolfas Slezevicius and received on the eve of the third anniversary of the Jan. 13, 1991 bloodshed, the central committee of the so called Lithuanian Communist Party points out "the need to restore the political power of the working people." Burokevicius also demands to legalize the communist party in Lithuania and to stop its legal persecution, the LIETUVOS RYTAS newspaper said. [passage omitted]

More on Defense Ministry's Arms Deals

WS1301180094 Vilnius RESPUBLIKA in Lithuanian 4 Jan 94 No. 1 p 3

[Fifth article in a series by Virginijus Gaivenis: "Who Armed National Defense? (5)"]

[Excerpts] Last spring, National Defense Ministry [KAM] leaders were preoccupied with the purchase of helicopters. The occasion was very convenient—Lithuania was preparing for the visit of Pope John Paul II. To this end, the

commanders of the Lithuanian Air Force applied to the leaders of the Ministry of Transportation with the request of assessing whether a helicopter from Palukne airport was suitable for this purpose. On 28 April, the helicopter MI-8 MTV offered by the private firm "Akvel" was inspected. However, the conclusion about the helicopter's suitability for the pope's mission, submitted by A. Raklevicius, chief of the Civilian Aviation Department Aircraft Section, did not seem to cheer up KAM Air Force Commander Z. Vegelevicius. The decision was categorical: "The helicopter cannot be used during the pope's visit in Lithuania." As representatives of the Transportation Ministry noted, the "Akvel" commodity was not new. [passage omitted] This closed stock company expected to earn more than \$1 million on its helicopter. Sensing that such a price was unrealistic, the "Akvel" manager blurted out in a private conversation that he would sell it to the National Defense Ministry for \$700,000 or \$800,000. The problem was that there was no place to store this helicopter in Lithuania, and some of its necessary documentation was missing.

It seemed that this deal would be buried, because the KAM leaders did not apply to experts for help any more. They kept silent on any helicopter purchases, intentions to buy them, and partners. The fact that the same helicopter offered by "Akvel" had already been bought for \$1,100,000 was discovered after the deal. The price paid for another two helicopters sold by the closed stock company "Mingrin" was also revealed then. Lithuania had paid from its pocket even \$2.4 million for two MI-8T helicopters. The latter, which Z. Vegelevicius hopes to use for rescue operations, in motorized landing subunits, consignment, and reconnaissance, seem to be totally unsuitable for such purposes. The two MI-8T are designed to fly KAM commanders or some other high-ranking officials rather than for combat purposes. [passage omitted]

New helicopters MI-8T and MI-8MTV, bought directly from the Russian association "Aviaeksport," cost \$1.2 and \$1.7 million, respectively. This Russian enterprise itself delivers aircraft to customers, issues the necessary technical documentation, provides a full set of spare parts, gives a guarantee for three and a half or four years, and assumes the commitment of repairing all failures over this period. The aforementioned prices apply to all CIS states and the so-called "near abroad" countries. Certainly, similar Western helicopters are more expensive, however, their quality seems to be ten-times higher. The Transportation Ministry experts' commission, which had the instruction to inspect and assess the aircraft acquired by the KAM, noted that one could buy cheaper and brand-new MI-8T or MI-8MTV from Russia. For example, the aircraft plant in Kazan can sell helicopters of these types at contract prices ranging from \$900,000 to \$1 million. Prices at other Russian enterprises dealing in helicopters are similar. And one more thing. The air company "Cheremshanka" from Krasnoyarsk offered the same type of helicopter for sale to Lithuania as the one bought for \$750,000-800,000 as far back as March of 1993. However, the KAM leaders were not interested in any other partners or offers of cheaper and newer aircraft for some reason.

On 10 June 1993, [former] Defense Minister A. Butkevicius informed Prime Minister A. Slezevicius that the "KAM had received a number of commercial bids to acquire MI-8MTV helicopters of different models" for prices ranging from \$900,000 to \$1.6 million. According to A. Butkevicius, one of the most acceptable offers had come from the closed stock company "Akvel." The helicopter proposed by this company was in Lithuania. Moreover, the KAM Air Force had received all documentation, the helicopter had undergone technical inspection, and there had been several test flights. A. Butkevicius reported to the prime minister that the helicopter was suitable for operation, and that the Air Force was ready to take it. A. Butkevicius requested the additional millions of dollars from the prime minister.

Did the government show any interest in what helicopter offers the KAM had received? Was it really positive before assigning millions of dollars that these helicopters would be new and with all the necessary parts and documentation? Was it not possible to acquire newer aircraft for the same amount of money abroad?... The government did nothing of the kind. It seems that its leaders trusted Minister A. Butkevicius and his relations with people of dubious reputation.

The certificate signed by Air Force Commander Z. Vegelevicius, which RESPUBLIKA has today, reads that the helicopters offered for sale by both "Akvel" and "Mingrin" are new. However, it was noticed on 17 September 1993, while receiving the first helicopter from the company "Akvel" in the Siauliai region, that it lacked dozens or even hundreds of spare parts and some equipment. The same applied to the helicopters acquired from the "Mingrin" company in November. These aircraft were received by ordinary local air base employees—a commission headed by Captain A. Baskevicius. The statements of transfer did not indicate the suppliers' names. The fact that the helicopters worth millions of dollars were accepted by local air base employees is surprising. The entire leadership of the Air Force and the Defense Ministry itself avoided the signing of any documents at that time. It was such a responsibility and a risk! One could understand that the leaders would have to account for this deal sooner or later. Law enforcement officials, to whom I have talked recently, doubt whether the companies "Akvel" and "Mingrin" had acquired those helicopters legally. They might have been stolen! No provisional certificates of their suitability for use or a document that they had been erased from Russia's state air register were provided during the transaction. Nor is there any such documentation as of today. In addition, the Transportation Ministry experts' commission, which was authorized to assess the state of the helicopters, the legal basis and the expediency of the deal, believes that the KAM price commission behaved frivolously by approving the decision of the ministry's leadership to waste millions of dollars from the state's pocketbook.

RESPUBLIKA, Zhirinovskiy Viewed as Comparable

*WS1301125494 Tallinn BNS in English 1905 GMT
12 Jan 94*

[Text] Vilnius, Jan 12. BNS—The Lithuanian president, the parliament and the government should "resolutely

condemn any display of anti-Semitism" in Lithuania, the Jewish community of Lithuania said in a written statement that was published by the rightist LIETUVOS AIDAS newspaper Wednesday [12 January].

The Jewish community said the Vilnius-based RESPUBLIKA newspaper uses every opportunity to slander Jews. The statement's authors said the way RESPUBLIKA treats the Jewish nation often resembles statements by the leader of the Russian liberal democrats, Vladimir Zhirinovskiy.

No specific examples are indicated in the letter, but the community said it is not the first time that shades of anti-Semitism appear in the Lithuanian press.

RESPUBLIKA is the second biggest newspaper in Lithuania with a daily circulation of around 80,000.

Inflation Drops; No Decrease in Prices

WS1301101694 Vilnius ELTA NEWS BULLETIN in English 2112 GMT 12 Jan 94

[From ELTA "NEWS BULLETIN" No. 413]

[Text] Vilnius, Jan 12, ELTA--Department of Statistics reported inflation in December was 6.2 per cent [pct]. It is gradually decreasing: in October it was 7.3 pct, in November—6.8 pct. In January-December inflation was 188.7 pct.

Prices of foodstuffs in December increased by 9.2 pct, in comparison with November, other goods—3.5 pct, services—three per cent. Prices of alcohol rose the least—only by 0.5 pct.

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